

The National Underwriter

A WEEKLY NEWSPAPER OF INSURANCE

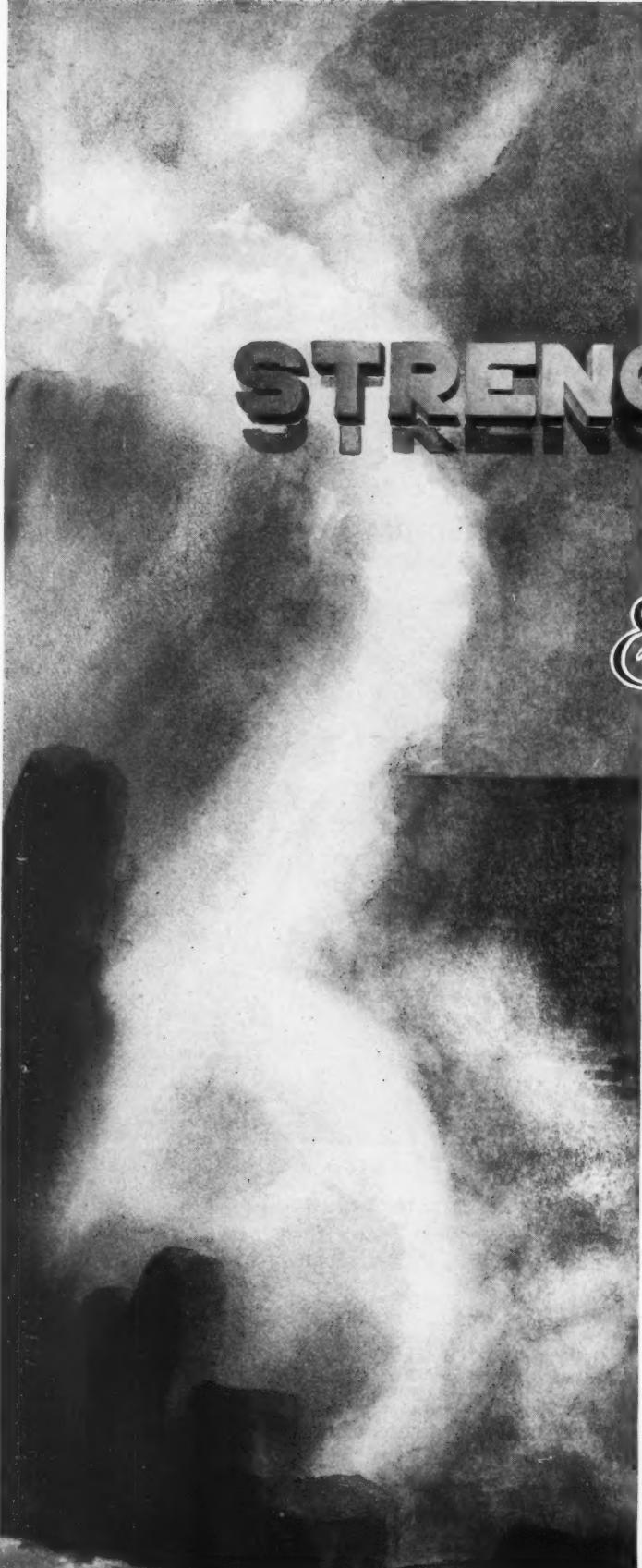
THURSDAY, FEBRUARY 1, 1934

IT IS HARD
TO KEEP UP
WITH
FEBRUARY



When the month is short on days, the insurance man must be long on selling ideas. Search intelligently for suggestions that will help you sell; apply them if you can; work a little harder. Where can you get ideas that will help you sell? The Employers' Pioneer is one source. It is the monthly house organ published by The Employers' Group for the benefit of its agents, employees and other members of the insurance fraternity. Practically every issue contains timely advice from the chief executives of The Employers' Group; interesting accounts of actual claim cases; actual photographs illustrating the need for various fire and casualty coverages; suggestions from agents, underwriters, engineers and others. We try to keep it non-technical and readable. The February issue is now obtainable. To get a copy address the Publicity Department of The Employers' Group, 110 Milk Street, Boston, Mass. . . . The Employers' Group includes The Employers' Liability Assurance Corporation, Ltd., The Employers' Fire Insurance Company and the American Employers' Insurance Company.





STRENGTH

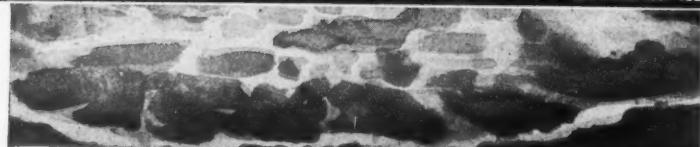
Enduring

as the tides

Strength in an insurance company must be enduring to deserve confidence from the insuring public. For generations the strength of the Royal-Liverpool Groups has rebuilt as the elements have torn down. Throughout the seven seas—as enduring as the tides—that same strength will maintain. To the agent it means security—prompt service to his clients, entree, acceptance, salability!

The ROYAL-LIVERPOOL GROUPS

ONE HUNDRED AND FIFTY WILLIAM STREET, NEW YORK CITY



THE NATIONAL UNDERWRITER. Published weekly (with one additional issue in April) by The National Underwriter Company. Office of publication, 175 W. Jackson Blvd., Chicago, Ill. Thirty-eighth year. No. 5. Thursday, February 1, 1934. \$4.00 a year, 20 cents per copy. Entered as second-class matter, April 25, 1931, at post office at Chicago, Ill., under act of March 3, 1879.

The National Underwriter

Thirty-Eighth Year—No. 5

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, THURSDAY, FEBRUARY 1, 1934

\$4.00 Per Year, 20 Cents a Copy

To Hold Payments Back Only 30 Days

Time Is Calculated from Date of Loss—\$500 Cases Affected

SUPPLANTS 60 - DAY RULE

National Board Recommends Modification of Procedure Which Was Launched During Moratorium

Instead of deciding to increase the amount of the deductible, the National Board, at a special meeting voted to recommend payment of losses be deferred 30 days from the date of loss. Heretofore, the practice which has been followed, under recommendation of the National Board, has been to defer loss payments over \$500, 60 days from the time notice of loss is received by the company.

The compromise is satisfactory to those who wanted to retain the beneficial effects of eliminating competitive speed in making adjustments and agency pressure for making quick settlement. Some executives, however, contested the compromise proposal because they wanted the rule completely abrogated. Others argued against modification, because they were opposed to liberalization.

Spirited Debate

The matter was threshed in a spirited debate at the executive committee meeting and a resolution was adopted in short order at the special meeting later.

In a subsequent notice to members, General Manager W. E. Mallalieu of the National Board interprets the resolution and recommends that members withhold for not less than 30 days after the date of loss, payment of losses in excess of an aggregate of \$500 for all companies interested. Furthermore, he recommends they continue in the interests of the public to use scrupulous care to withhold payment for the period stated in the policy or provided by law in every case where there is criticism of origin of fire, or regarding a claim made, or where investigation of either is under way by the authorities.

The recommendation is that the modification be made effective as of Feb. 1.

That means that Feb. 1 will see an exceptional number of loss payments made, since all December losses, which were being held up 60 days under the now supplanted recommendation, will then become payable.

History of the Regulation

The recommendation that all fire claims, including automobile in excess of \$100, be deferred 60 days became operative last March when the four regional fire governing bodies, together with the National Automobile Underwriters Association, adopted it as a rule. Three months later the rule was liberal-

(CONTINUED ON PAGE 34)

HOLC Bulletin Sets at Rest Fears As to Overinsurance

The question of whether overinsurance might develop in connection with properties on which the Home Owners Loan Corporation is lending in bonds 80 percent of the appraised valuation, has been set at rest by a bulletin from the corporation.

The Home Owners Corporation is making three types of loans. There are loans in bonds to an 80 percent appraised valuation; loans in cash to a 40 percent appraised value where the mortgagee does not accept HOLC bonds and loans in cash to a 50 percent appraised value on unmortgaged homes, where funds are required to pay taxes or assessments or to make essential repairs.

The overinsurance question came up in connection with the 80 percent loans. One fire company sent out a bulletin to field men, pointing out if fire insurance is carried to the full amount of the loan, there will be more than 100 percent coverage on improvements, when the value of the real estate is deducted.

Case in San Antonio Cited

This company cited a case at San Antonio. An individual applied for a \$14,500 loan to take up an existing lien of the same amount on 52 acres of land adjoining the city limits of San Antonio. Improvements consisted of a dwelling and a few odd buildings valued at not more than \$4,000. This company reported that the Home Owners Corporation required \$12,500 insurance and obtained it.

This company requested its field men to scrutinize all cases where mortgage clauses in favor of the loan corporation are attached. The fear was that in the event of fire the loan corporation would collect the full amount of any policies which it holds and arguments that insurance exceeded the value would be unavailing.

The bulletin from the Home Owners Corporation states fire insurance in amount at least equivalent to the amount of the indebtedness to the corporation or the full insurable value of the improvements on the property, whichever is smaller, will be required. In the event of total loss, the corporation either wants the improvements replaced or the loan liquidated.

If that requirement is carried out, the fears as to overinsurance should be dispelled.

Assumes Existing Insurance

The Home Owners Corporation bulletin states that there is no intention to interfere with the regular routine of local insurance business. The corporation will require all properties securing loans to be insured against fire in a company licensed where the property is situated, and windstorm may likewise be required in certain territories.

Existing policies in any licensed company, stock, mutual or reciprocal, will be accepted and borrowers will not be required to take out insurance for any given period of time. The loan contract requires the borrower to renew his insurance upon expiration and failure to do so constitutes a default in his loan.

The corporation assumes all home owners will be insured and therefore have a policy to transfer to the corpora-

tion. If the existing insurance does not meet the requirements of the corporation and is not within \$100 of the amount of the loan, when the amount is less than the full insurable value of the improvements, then the balance must be furnished by the borrower at his own expense. If the existing insurance expires within 90 days, a renewal policy must be furnished which dates from the expiration of the policy. Existing insurance shall not be canceled to rewrite new policies from the date of the loan unless premiums have not been paid and under those circumstances the corporation will pay for only that coverage applying from the date its interest appears.

If the borrower shows definitely that he cannot pay the premium in cash, the money may be advanced for a three-year policy as an incidental cost to the loan. This advance does not apply to any delinquent premiums, except in Vermont.

The corporation form of mortgage clause must be attached, unless for legal or other reasons it is not permissible. Then, the New York and New Jersey standard mortgage clause, without contribution, is desired.

Expiration Notices

The Washington office will send all expiration notices direct to the borrower and the home owner is expected to renew and furnish the original policy to the corporation. If the corporation is compelled to protect its interest by placing the insurance upon expiration, it will expect the home owner to reimburse it.

No state manager or employee will be permitted to make a deal with any agent or company for the placing of insurance and they are prohibited from influencing the borrower in any way in his selection of an agent or broker. The penalty is immediate dismissal.

The Home Owners Corporation functions through 300 state and branch offices. It is empowered to issue up to \$2,000,000,000 in 18-year 4 percent bonds to refund mortgages and has capital stock of \$200,000,000. Already 47,500 loan transactions for a total of \$135,000,000 have been consummated. New financings are being completed at the rate of \$3,500,000 on more than 1,200 properties daily.

Some Companies Having Their Field Men Bonded

In view of the fact that so many field men are acting as trustees of agencies these days, some of the fire insurance companies are having all of their special agents bonded and the practice is likely to be extended. Impetus was given to this plan, because of a recent experience. One of three field men who were trustees of an agency was designated to handle the money. He was slow in making remittances to various companies in the agency and the other field men kept pressing him for payment. He finally sent out checks to the companies, which proved to be worthless, he having dissipated the funds that he handled. He was not bonded.

Code Question Is Uppermost Today

Feeling Grows Agents' Filing Will Be Supplanted by Separate Codes

WOLFF GIVES ADDRESS

Agency Leader Discusses Problem at Indianapolis Gathering—Views of Mutuals Given

NEW YORK, Jan. 31.—If a hearing on the agents' code is to be had it must take place within a short time, for beginning the middle of February the NRA plans reviewing codes already in existence, considering such suggested changes as have been shown to be necessary or desirable. The understanding is that General Johnson and his associates desire to devote the major part of their time in that direction after the middle of next month.

Despite the earnest appeals from local agents in all parts of the country the strong opinion in Washington appears to be that the agents' code, at least in its present form, will not be acceptable and that instead the NRA will call for separate fair practice codes from fire and casualty offices with divisional codes for the varying types of each.

Attitude of the NRA

Reports filtering in from Washington are to the effect that opposition to the code as prepared by the agents has become so pronounced that the NRA is inclined to discard it, and insist instead that a code applicable to the insurance industry as a whole be submitted.

The general belief is that the NRA will insist upon the preparation of a code regulating general insurance practice, so that, whether the prediction that the agents' code be discarded prove well grounded or not, insurance must reconcile itself to having its activities regulated.

The agents assert that while sharp criticism has been directed against their code from a number of directions, no counter proposal has yet been advanced from any responsible body.

WOLFF'S ADDRESS

Allan I. Wolff of Chicago, president of the National Association of Insurance Agents, in several addresses lately has been bringing out the point of view of the agents in relation to the idea of a code of fair practices for insurance. This week he appeared in Indianapolis during Indiana Insurance Day, developing the conception still further.

He said agents and companies admit competitive conditions are worse in those states which have no rate control. He said the life companies would not (CONTINUED ON PAGE 34)

Report Commission Arrangement Near

Boston and Philadelphia Working Agreement Expected, E.U.A. Members Hear

CONFER IN NEW JERSEY

Difficulties with Agents Give Promise of Being Settled Soon—Pittsburgh Situation Unsolved

NEW YORK, Jan. 31.—There is every prospect of effecting a satisfactory commission arrangement soon in Boston and Philadelphia, reports on the two cities submitted at the meeting of the Eastern Underwriters Association here indicate. If this should occur, Pittsburgh would be the only city under E. U. A. jurisdiction for which an agreement has not been reached, and should make easier of attainment an acceptable program for that important center.

So far as the Quaker City is concerned, the understanding is that the congested district has been restricted, eliminating the section given over largely to office buildings and similar classes of risks, which, in the opinion of many managers never should have been included in the hazardous area. A part of the river front, where the possibility of serious fires is ever present, will come under the limited commission territory.

Additional Commission

Through elimination of a part of the hitherto restricted area, agents will be allowed an additional 5 percent on such business therein as they control. This concession by the companies will offset acceptance by local agents of the revised commission arrangement for Philadelphia suburban territory. The proposition as determined upon in conferences between company managers and representative agents, will be considered at the forthcoming meeting of the Philadelphia board, and there is little question but that it will be approved.

The plan for Boston has been whipped into shape by the committee and will be submitted to companies for review within a short time.

The New Jersey situation was not mentioned at the E. U. A. meeting. It is understood, however, that troubles about which complaint was made several weeks ago are in a fair way of settlement.

W. G. Hurtzig, president of the New Jersey Association of Underwriters and chairman of the agents' committee, dealt with the E. U. A. in the matter. He had a satisfactory gathering of his associates and arranged for a further conference with officials of the jurisdictional body and members of its New Jersey committee.

A departure determined upon by the E. U. A. was that its general meetings shall be held quarterly hereafter instead of monthly. The work in the intervals is to be directed by the executive committee. In adopting this plan the understanding was that the executive committee will make every effort to attend monthly sessions, and where this is impossible to delegate as alternates officials authorized to obligate their companies.

In adopting the program the E. U. A. is following the practice of the South-eastern Underwriters Association and Western Underwriters Association, both of which place direction of affairs in the hands of governing committees pending semi-annual gatherings.

Chairman of Executive Committee of the E. U. A.



R. P. BARBOUR

Robert P. Barbour, United States manager Northern of London, has been elected chairman of the executive committee of the Eastern Underwriters Association. G. G. Bulkley, president Springfield Fire & Marine, is vice-chairman.

The Capital Fire of California, a member of the Royal-Liverpool group, which has just started operations in the east, was elected to membership. The Retailers Fire of the Phoenix of Hartford group, which is no longer operating in the east, resigned.

Mutual Agents Organize

SYRACUSE, N. Y., Jan. 31.—Mutual casualty and fire agency executives here will meet Feb. 9 to form an association. Ralph Howe is chairman of the commit-

tee with H. F. Bingham, I. J. Milligan and V. I. Reder aiding in the organization work.

THE WEEK IN INSURANCE

General code for insurance reported likely to be required by NRA officials. **Page 1**

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Home Owners Loan Corporation bulletin removes apprehension as to danger of overinsurance. **Page 1**

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National Board recommends **deferring loss payments** 30 days from the date of the loss instead of 60 days from date notice is received by the company. **Page 1**

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Insurance Director Palmer of Illinois sums up results of first year in office, gives tips on future program. **Page 3**

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First series of interpretations of uniform definition of **marine writing powers** issued by joint committee. **Page 4**

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C. C. Hewitt, vice-president of the National Fire of Hartford, has resigned to enter the local business at Boston. **Page 4**

* * *

Satisfactory commission arrangement with Boston and Philadelphia agents expected soon, Eastern Underwriters Association meeting hears. **Page 2**

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Recent autopsy on **C. D. Livingston**, former Michigan insurance commissioner, reveals the fact that his death was caused by an injury in the right groin. **Page 9**

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Report is made on the complaint of the Nashville Insurance Exchange that the Southern Insurance Agency there was in violation of the conference agreement of the National Association of Insurance Agents with regard to bank agencies. **Page 2**

* * *

Committee from San Francisco has been in New York City to ascertain the views of eastern officials regarding

Nashville Controversy Is Settled by Joint Committee

SIDNEY O. SMITH ARBITRATOR

Decision Reached as to Appointment of Southern Insurance Agency by Three Companies

A conference was held at Nashville between a committee of the Nashville Insurance Exchange and representatives of companies involved in the appointment of the Southern Insurance Agency as their representative with S. O. Smith of Gainesville, Ga., a member of the National Association of Insurance Agents' executive committee, as arbitrator. The companies were the National Union Fire, the East & West and the Albany. The claim was made by the Nashville Insurance Exchange that the companies in appointing the Southern Insurance Agency violated the conference agreement on bank agencies. This agency is a branch of the Southern Trust Company of Louisville, which has acted as agent of the companies for some time.

The Nashville committee submitted the following statement: "We, the committee of the Nashville Insurance Exchange, after hearing the presentation of this case by the committee of agents and the company representatives, are of the opinion that the appointment of the Southern Insurance Agency was an unintentional violation of Section 2 of the conference agreement. This committee believes that this agency as now being operated is not in violation of the spirit of Section 2."

The committee of Nashville agents was composed of J. V. Crockett, Marc Bradford and H. Phelps Smith. Representing the companies were Vice-President W. P. Johnson of the East & West, and H. A. Yates, vice-president of the National Union Fire. The sub-

(CONTINUED ON PAGE 34)

earthquake claims filed from southern California. **Page 2**

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Public Works Administration insists on \$47,000,000 coverage on Delaware bridge. **Page 4**

* * *

California agents oppose plan of establishing Pacific Board farm risk inspection bureau. **Page 3**

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Topics to be discussed at the meeting on **compensation insurance** in New York are outlined by special committee of National Bureau of Casualty & Surety Underwriters. **Page 27**

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Vice-President Cornelius of the Continental Casualty, in Indiana Day address, says compensation reform depends on all parties making sacrifice. **Page 27**

* * *

Federal bank deposit guaranty plan criticised in report of New York State Chamber of Commerce. **Page 28**

* * *

Standard compensation claims forms approved by 14 states greatly simplify work. **Page 29**

* * *

May approve **50 percent retention** plate glass form for members of National Bureau of Casualty & Surety Underwriters to meet 50-50 competition. **Page 27**

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Experimental period in workmen's compensation may be over, Manager Senior tells New York Compensation Insurance Rating Board in report. **Page 29**

* * *

Commissioner C. E. Gauss of Michigan to enforce 1930 ruling on fictitious fleets. **Page 28**

* * *

Preferred Accident starts to write plate glass insurance. **Page 30**

* * *

Thomas E. Loynahan is made manager of the **General Casualty** of Seattle at its head office. **Page 34**

Get Eastern View On Coast Claims

Officials Are Disturbed Over the Opening of Earthquakes Losses

INTERESTING ISSUE UP

San Francisco Committee Visits New York and Hartford to Interview Officials

NEW YORK, Jan. 31.—To ascertain the views of eastern company officials regarding claims now being filed as a result of the earthquake that occurred in southern California in March, 1933, E. T. Cairns, vice-president of the Fireman's Fund; Joy Lichtenstein, Pacific Coast manager of the Hartford Fire, and A. T. Bailey, Pacific Coast manager of the North British & Mercantile, spent several days in this city and in Hartford recently, reviewing the questions involved.

As noted in the Jan. 4 issue of THE NATIONAL UNDERWRITER, fire underwriters are not a little perturbed over the attempted reopening of a number of claims for earthquake damage caused by the upheaval of 10 months ago because of reputed flaws in the structural features of various buildings disclosed through use of a new chemical compound. Concretely, the issue arose in connection with the attempted adjustment of the loss suffered by the 12-story fire-proof reinforced structure of the Pacific Southwest Corporation, Long Beach, upon which claim for additional heavy loss was filed.

If, officials contend, they are to be held liable for losses far in excess of those contemplated by the coverage of the standard earthquake policy, either rates must be raised to a well nigh prohibitive figure, or they will probably cease writing the line altogether.

The upshot of the conferences here was that the companies interested in the particular claim referred to will proceed with the effort to secure a mutually satisfactory adjustment, and failing so to do, if issues of broad application are involved, the matter would be handled by the National Board through its proper committee or committees.

Freezing of Liquors Causes Heavy Loss, New Restriction

A number of marine companies have been endorsing ocean cargo policies to exclude loss or damage to liquids due to atmospheric conditions and temperature variations, as a result of several large losses on liquor shipments running into five figures which have occurred in the east recently. These losses have been on wines, ales and stouts with a moderate alcoholic content.

The endorsement usually employed is: "It is hereby understood and agreed that notwithstanding anything to the contrary in this policy, the company is not liable for loss or damage to liquids caused by changes in atmospheric conditions or variations in temperature, or by freezing, except as a result of improper stowage while on the ocean."

There has been considerable interest in this hazard among marine underwriters, especially since it is one that also falls under the coverage of the shippers' truck cargo policies, which give all risk protection.

California Agents Oppose Farm Body

Object to Commission Cut to Pay Cost of Operation

NEW BUREAU NOT NEEDED

Will Encourage Lazy and "Own Case" Agents and Not Relieve Service Givers

SAN FRANCISCO, Jan. 31.—California's local agents do not like the proposed plan of establishing a farm risk inspection bureau by the Pacific Board. Neither do they like the idea of helping to pay for the establishment of such a bureau by accepting a cut in commissions on farm business. On the contrary, they believe the farm risk problem will adjust itself if the present farm form is changed by eliminating the three-fourths value clause and the owner-occupancy warranty. The position of the local agents is given in a statement to the farm committee of the Pacific Board by the California Association of Insurance Agents' farm committee.

The agents' committee enumerates its various objects and reasons for them in a lengthy report. It suggests that companies get rid of non-cooperating agents and that special agents today are in a much better position to make inspections with agents on the ground.

Aid Lazy Agents

"We are of the opinion," states the report, "that the institution of a farm inspection bureau will release a large number of lazy and unqualified agents from the necessity of doing some of the work and that fact will lead to the promiscuous appointment of own case, farmer and smaller agents without regard to their qualifications and only to obtain commissions and rebates. We doubt that the company can thoroughly judge the risk from the bureau inspection report and it will still be necessary that the company, through its special agent, personally pass upon the risk from an underwriting standpoint. The contacts made by bureau inspectors with assureds are objectionable to agents. Many evils have arisen from this practice in other lines where companies and bureaus have direct contacts with assureds, and gradually eliminate agents.

"The fact that the bureau is making inspections will not lessen the real service-giving agent's work as he will still have to inspect it in order to determine the amounts of insurance, the submission of the risk for rating and the compilation of his own records.

Bureau Held Unnecessary

"We believe that a farm inspection bureau is unnecessary, that inspection of farm risks can be carried on as at present by agents and special agents without the additional cost of the bureau and that if agents do not inspect the property they should be eliminated as agents. In addition to this it seems to us that the companies writing a large farm business can well afford to employ their own inspectors to work with agents. Undoubtedly this will reduce the loss ratio to the point so much desired and be a paying investment. The companies writing a small business can have their special agents make the inspections with agents. If it is a fact that a risk after cancellation is passed on by agents from one company to another this can be corrected by the setting up of a simple clearing house in

May Defer Determination of Auto Rates Two Months

MAIL VOTE IS BEING TAKEN

Committee Consisting of Herring, Hall and Fry Is Making Research Into New Methods

NEW YORK, Jan. 31.—If directors of the National Automobile Underwriters Association in a mail vote now being conducted give approval, the creation of automobile fire, theft and collision rate levels will be deferred for six weeks or two months. The usual system is for the staff committee of the association to review and correlate the experience and make recommendations to the advisory committee, which in turn reports to the directors. Accordingly, the rate levels are usually determined early in February and the manuals are published early in March.

This year, agitation has developed for simplification of the manual and revision of a number of principles. Therefore, with the directors' approval, the plan is for a group of three association experts to consult with practical automobile insurance men throughout the country and work out a program. The committee of experts consists of Fred M. Herring, eastern branch secretary of the association; W. D. Hall, actuary, and Paul Fry, assistant western branch secretary. That committee will meet at Chicago either the latter part of this week or next week and consult with some of the automobile insurance men in Chicago who have a number of ideas to propose.

Boom Is in Sight

The automobile rate and rule situation is being given particular attention this year, because the prospects are for considerable improvement in the automobile and automobile insurance field. For the past three years, the business has been sluggish, a vast amount of it having been of the minimum premium variety.

There has not been much incentive to tackle the automobile insurance problem in a fundamental way, because the market was so barren. Now, however, improvement is in sight and the association companies are eager to adopt a program which will help them gain ground which they have been losing in the last few years because of the efforts of non-association companies.

In the east there is considerable interest in a comprehensive policy. There is sentiment here in favor of providing a comprehensive policy, which eliminates collision, however. The collision could be purchased extra with whatever form of deductible is desired. Then there is also sentiment in favor of a comprehensive policy in which the deductible would apply only to collision, and not to fire, theft and the other coverages as it does now.

In the west there is considerable interest in the convertible collision policy. Much insurance has been sold in that section under this form.

May Run for Congress

C. Y. Bean of the Bean-Benton-Pressley & Co. agency, Lexington, Ky., is being urged by friends to announce as candidate for Republican nomination for Congress from the Sixth congressional district of Kentucky. Before entering the local agency business in Lexington, Mr. Bean traveled in Kentucky and Indiana for the Norwich Union group and the Atlas Assurance, and was secretary at one time of the Union of Indiana.

the board office so all companies can have a knowledge of risks cancelled by any company."

Results of the New Deal Projects Now Apparent



R. M. BISSELL

President R. M. Bissell of the Hartford, in a message to agents, presents a conception of the new and vast government enterprises and what their practical effect is likely to be.

Mr. Bissell points out that some time was required to create the machinery and then some months necessarily elapsed before the machinery, including dozens of new corporations and hundreds of bureaus, could function and the results begin to flow.

"The wonder is," he states, "that the machinery began to operate as quickly as it did and that more complaints as to inefficiency, delay, etc., have not been justified by the facts. Now remedial activities may be said to be practically under full swing although the list of them is not yet complete and we shall undoubtedly during 1934 witness the inauguration of still more extensive apparatus intended to perfect the work of relief and restoration which the government has undertaken." The year 1933, Mr. Bissell recalls, was characterized by a mixture of hope, fear and confusion, as well as constant dispute as to the wisdom of the various governmental undertakings.

Burst of Enthusiasm

Earlier in the year 1933 there was an anticipatory burst of enthusiasm, he pointed out, which seemed to betoken immediate approach of better times, but after that boom, business was compelled to flounder along for a time. Not until very recently has there been much evidence of marked improvement. Agriculture seems to have definitely and notably improved, which is natural, since the government's first efforts were in behalf of the farmer.

The vast sums being expended for public works, for relief and for miscellaneous loans and advances of many kinds have now resulted in a fairly strong undercurrent of hope and optimism.

There exists higher hopes, greater courage and greater willingness to put forth effort looking toward the betterment of the general and personal affairs than has been existent at any time since the depression started.

Mr. Bissell asked whether 1934 would not be a good year to try a few experiments upon ourselves. "Might we not try to examine from a new point of view the factors which we believe to be especially unfavorable to us?" he asked. "Why not use some new and more skillful form of attack upon the problems with which we have been struggling? Perhaps we can bring to bear more intelligence and greater concentration upon our daily tasks and upon the plans for the future

Illinois Insurance Put Under Control

Director Palmer Gives Informal Review of Accomplishments, Tips on Program

TALKS AT BROKERS' MEET

Greater Appropriation, Department Staff Being Sought, Closer Check on All Carriers

Illinois has been given a separate, dignified insurance department, has a proper investment law for life companies which is recognized as among the best in the United States, and has made a good start on cleaning up the business there, Insurance Director Palmer stated in an address before the Insurance Brokers Association of Illinois in Chicago.

A great deal, however, remains to be done. Recodification of insurance laws is on the way. The department is seeking information on all insurance carriers. Particular attention is being given to Lloyds, mutual benefit and assessment concerns.

Extra Statement Required

Companies this year are being required to prepare two copies of the annual statement for filing with the department, one to be maintained on file in the insurance department's office, Insurance Exchange, Chicago, as a public record. Mr. Palmer said this is something done by no other state in the union. Occasionally the department must refer harshly to some company, but there is no reason why the people should not know all details of examinations if these are made fairly and statements can be proved.

Commissioners of some other states, he said, are attempting to get such a setup in their own jurisdictions. It will help to deter insurance company executives from doing anything that they should not do.

He said the detail work necessary to keep a close check on the 1,488 insurance carriers of all kinds in Illinois is large. Although there are 96 employees in the department, he said, personnel must be doubled before the department can keep up with the work.

Seeking Larger Appropriation

He asked Governor Horner for a material increase in appropriation so as to employ a larger staff. The department is spending about \$450,000 and taking in \$6,000,000 annually. It also handles all details of licensing agents and brokers. Mr. Palmer said he believes practically all agents' and brokers' license fees should be used to clean up the ranks of producers.

There is a large number of outside companies operating in the state and several were thrown out last year.

A major part of his time has been devoted to life insurance problems. Mr. Palmer said there is little doubt the failed companies had competent insurance management, but their troubles grew from investments, the selfish in-

(CONTINUED FROM PAGE 13)

which we are making. Isn't it worth while to make an effort to become abler, more effective, more sincere and more understanding than we have been heretofore? In short, is it perhaps the present duty of each of us as well as our best contribution to the public welfare to try to reconstruct ourselves somewhat?"

First Interpretations of Marine Agreement Issued

SEVERAL CLASSES COVERED

Silverware in Permanent Residence Can't Be Insured Marinewise—Neon Signs May Be Covered

The first interpretation of various sections of the uniform definition of marine writing powers has been issued by the joint committee on interpretation and complaint. These decisions are reviewable only by a special committee of the National Convention of Insurance Commissioners. They apply only in the states which have adopted the nation-wide definition. Twenty-one states and the District of Columbia so far have acted.

One ruling is that silverware may not be insured under jewelry floater or any other marine policy while in the permanent residence of the assured unless possessing the qualities of a fine art. Ordinary household silverware may not be insured marinewise unless the permanent residence of the assured is excluded.

Neon Signs, Street Clocks

As to insuring Neon signs and street clocks, the committee states these are not specifically mentioned in the nationwide definition and pending further study, the writing of such risks under marine policy will not be out of order.

Rugs shipped on consignment for sale or distribution may not be insured under marine form for exceeding 30 days after arrival at consignee's premises, either directly or indirectly, or by insuring contingent loss or liability.

Stained glass windows which are installed and used as such may not be insured marinewise unless the committee rules otherwise upon submission of special cases of unusual values that possess the quality of fine art.

Voting machines, snow removal machinery and similar municipal equipment of a floating nature, except motor vehicles, may be insured under subdivision E-2 (N) of the nationwide definition.

Inclusion of coverage on motor vehicles under contractor's equipment floater policies is held to be in violation. Personal effects or tourist floaters will not cover the property of assured while in a hotel which is his permanent residence. Fur stock, meaning new furs held for sale, belonging to the assured, may not be insured under any form of marine policy while they are being stored in the premises of the assured.

Coin collections, which are valuable because of their antiquity or rarity, may be insured as fine arts. Sun dials, unless possessing the qualities of fine arts, may not be insured marinewise, nor may mausoleums be so insured.

Sharp Ends Half Century in Service of Company

James T. Sharp, president of the Mill Owners Mutual Fire of Des Moines, on Feb. 1 is completing his 50th year in the service of that company. Therefore, on Thursday evening of this week, Mr. Sharp will be feted at a banquet in Des Moines, which will be attended by his associates in the company, leaders in the mutual field, and a number of leading citizens of Iowa. He will be presented with a gold plaque.

The Mill Owners Mutual was operated by Mr. Sharp's father and the young man was brought in as general assistant in 1884. Even before that, he had some familiarity with the company, as he helped his father with the company's books. His father also operated a flour mill at Wilton Junction. In 1892 he was elected assistant secretary and in 1909 on the death of his father, he was named secretary and manager. He was made president in 1928. Mr. Sharp is still in active service.

Among guests at the dinner will be Governor Herring and Commissioner Clark of Iowa; R. N. Rodgers, Western Millers Mutual Fire, Kansas City; G. A. McKinney, Millers Mutual Fire of Illinois, Harvey Ingham, editor Des Moines "Register"; J. S. Kemper, Lumbermen's Mutual Casualty, and J. G. Gunn, Employers Mutual Casualty. E. L. Poor of the American Mutual Alliance will be toastmaster.

Handles Foreign Losses

G. W. Lilly, general manager Fire Companies Adjustment Bureau, in a letter to members, calls attention to the fact the bureau is now in a position to adjust losses in nearby foreign countries.

That work is in charge of J. F. Mazzia, Sr., who was formerly head of the New Orleans Adjustment Company, and is now associated with the bureau as executive supervisor in charge of foreign losses. His headquarters are in New Orleans.

F. E. Holmes of Dallas is also available for work in foreign countries. He is assistant general manager of the southwestern department. Others with foreign experience are T. H. Malone,



J. T. SHARP

PWA Demands 47 Million Cover on Delaware Bridge

PREMIUM WILL BE \$120,000

Bridge Commission Contends Insurance Is Too High—Distribution of Business Is Uncertain

PHILADELPHIA, Jan. 31.—The Public Works Administration, having won its argument with the Delaware River Bridge Commission that it will not accept bonds of New Jersey and Pennsylvania as collateral on loan given the commission, in lieu of insurance on the span, is now insisting that the bridge be insured for \$47,000,000, an increase of \$32,000,000 over the amount the bridge commission had expected to be forced to take out.

The PWA wants the bridge itself insured in an all-risk coverage for \$37,000,000, the cost of the span. It then wants the commission to take out a \$10,000,000 policy on the work about to be started for the high-speed line across the bridge. The latter policy, in addition to covering against the usual hazards of fire, lightning, flood, rising waters, ice, explosion, will also cover against strike, riot or any other kind of damage.

It is expected that the yearly premium for the \$47,000,000 policy will run somewhere around \$120,000 a year. This amount the commission contends is too high and is seeking now to effect a compromise whereby the total amount of insurance to be taken out will be \$10,000,000 for the work to be done. However, it is not believed here that the PWA will agree to that although it may come down on the amount of the \$37,000,000 policy on the bridge itself.

Should the government remain firm in its stand on the \$47,000,000 all-risk policy, it will make the insurance on the Delaware River Bridge, which joins Philadelphia and Camden, N. J., one of the largest policies of its kind ever issued.

HOLC Master Policy Is Carried by Hartford Fire

The fact that a master policy in the Hartford Fire is held by the Home Owners Loan Corporation was brought out during general discussion of the HOLC setup at the regional meeting of Michigan agents at Ann Arbor. J. F. Hamilton of Detroit, Michigan manager for the HOLC, was on hand and answered questions.

The Hartford Fire policy is understood to be an errors and omissions form.

El Paso, and W. T. Galloway, San Antonio.

FIGURES FROM DECEMBER 31, 1933 STATEMENTS

STOCK COMPANIES

	Assets	Change in Assets	Reins. Res.	Security Fluc. Res.	Change in Reins. Res.	Capital	Surplus	Change in Surplus	Losses Paid	Net Prem. Loss Ratio
Equitable Fire, S. C....	1,030,337	-23,443	120,606	50,000	+67	300,000	500,805	+439	60,961	144,023 42.0
Mercury, Minn.....	4,090,428	+15,322	1,494,147	243,376	-65,145	1,000,000	1,081,155	+120,062	645,593	1,588,626 40.6
American Auto. Fire....	1,597,792	-1,463,908	477,503	63,800	-725,264	300,000	532,474	-355,928	475,348	388,135 122.0
Old Dominion Fire, Va....	474,057	-665,609	45,314	.....	-21,018	200,000	219,540	-335,221	23,303	29,418 79.2
Seaboard, Md.....	408,074	-30,558	.....	.....	-62,581	210,000	175,951	16,599	7,923	-40,623 ...

MUTUALS

	Cash Assets	Security Fluc. Res.	Unearned Prems.	Cash Prems.	1933 Surplus	1933 Losses	Total Income	Total Disbursements
Badger Mutual Fire.....	\$ 845,246	.....	\$ 184,710	\$ 637,756	**\$ 173,173	\$ 45,789	\$ 259,931	\$ 190,899
Carolina Mutual, S. C.....	465,710	.....	66,972	392,235	111,413	13,700	133,229	116,293
Duggists Mutual, Ia.....	281,538	5,872	80,417	180,892	162,213	43,391	174,581	157,352
Illinois Mutual.....	103,200	4,080	57,560	40,049	56,631	13,995	60,799	56,878
Iowa Hardware Mutual.....	291,430	1,500	88,278	188,045	186,317	71,774	199,757	186,273
Los Angeles Mutual Fire.....	246,247	15,278	.....	230,968	44,397	12,401	54,908	40,469
Michigan Mutual Auto.....	95,470	8,000	14,153	76,541	28,316	10,167	33,032	32,378
Millers Mutual Fire.....	2,378,132	100,000	855,610	1,293,327	1,400,156	417,230	1,494,427	1,351,485
Ohio Underwriters Mutual Fire.....	400,342	15,000	175,515	185,957	254,101	113,117	269,977	276,130

*Does not include notes and policyholders' contingent liability.

**Cash surplus includes \$25,000 contingency reserve.

C. C. Hewitt Joins Boston Agency in Partnership

LEAVES THE NATIONAL FIRE

Has Had a Wide Experience as a Rater, Inspector, Field Man and Company Executive

C. C. Hewitt has resigned as vice-president of the National Fire of Hartford and affiliated companies to enter the old and well-known brokerage and agency firm of Boit, Dalton, Church & Hamilton, metropolitan and general agents in Boston, as a partner. It is an amalgamation effected several years ago, by which four of the oldest offices in New England were combined for the purpose of increasing efficiency. These were originally all founded between 1865 and 1878.

Mr. Hewitt entered the business in March, 1910, as an inspector and rater applying the Dean schedule to the major mercantile district of Chicago, where he was born Nov. 3, 1889, and where he also received his education. Between 1910 and 1918 he served the Chicago Board and Western Canada Fire Underwriters Association. He was later manager of the Indiana Inspection Bureau at Fort Wayne, and then chief rater for the Missouri insurance department. He was a schedule maker and commercial rater for special hazards for the Western Actuarial Bureau.

Went Into the Field

Upon return from military service in January, 1919, he joined the National Fire group as state agent in West Virginia, and a year later was transferred to New England, where he early made the acquaintance of F. C. Church and his son, F. C. Church, Jr., around whom the amalgamation of Boit, Dalton, Church & Hamilton took place, and by whom it has been developed to its present commanding position.

In November, 1924, he was transferred to the National's home office, and in the five years following successively was promoted to agency superintendent, assistant secretary and secretary, being made a vice-president in February, 1929. Mr. Hewitt's career as a company official has, from time to time, included contact with New England, New York, New Jersey, Delaware and West Virginia. Through his earlier experience he is also well acquainted with most of the middle west and western Canada.

Statement by President Layton

In announcing the resignation of Mr. Hewitt, President Layton said: "We shall miss Mr. Hewitt as an important and constructive member of our official family. He has served ably as an officer for over nine years and prior to that for about six years as a fieldman. He has been consistently loyal and energetic. In yielding to his desire to change to the agency and brokerage business with such an eminently successful firm as Boit, Dalton, Church & Hamilton, we have done so reluctantly on the one hand, and gladly on the other because of the benefit he will receive by the change. His native talent for business building will, we are sure, contribute to the increased success of the firm which he is now entering."

Brooklyn Agents Seek Change

NEW YORK, Jan. 31.—Brooklyn agents, who are seeking an amendment to the New York Fire Insurance Exchange agreement, whereby offices in Manhattan would be prohibited from writing business in the former borough, are meeting this afternoon to formulate arguments in favor of their contention, for submission when the matter is up for consideration at the exchange gathering Feb. 14.

President Yager Reports on Chicago Board's Year

FINANCIAL CONDITION GOOD

Plan of Assisting in Collection of Delinquent Accounts Has Proved Successful, He Says

L. E. Yager, in his presidential address before the Chicago Board, reported finances in good shape, despite depleted income, reported that the board has been successful in assisting supervising members in collection of delinquent accounts, endorsed strongly the dollar service charge and recommended change in nomenclature of the various classes of board membership.

Income in 1933 was \$289,000 and expenses were \$293,400 resulting in only a small operating deficit. This compares with \$456,500 income in 1929 and expenses \$473,000. He pointed out expenses were \$177,000 less for operating the board for 1933 than for 1929.

The fire insurance patrol, he reported, has balanced its budget and is living within its income.

Collection of Accounts

In February 1933, the board instituted the practice of assisting supervising managers in collection of delinquent accounts. Assistance of the board was requested in 166 instances. The board was successful in entirely liquidating or effecting satisfactory arrangements of 122 of such accounts, collecting for companies and members about \$43,000. Eight associate members were reported to the insurance director for investigation. Members delinquent over six months now total 444.

The credit situation, Mr. Yager said, seems to be solving itself. The practice of reporting delinquents to the insurance department quarterly promises to have beneficial effects.

The dollar service rule, he said, is basically sound. It was designed to benefit all members. The large proportion of the dollar goes to the downtown offices, because they maintain special agents and inspectors, their rentals are higher, they must maintain complete sets of maps, etc.

He asked local and company offices to instruct their special agents rigidly to enforce the spirit and letter of the dollar charge and report to the board all violations.

Distribution of Brokerage

He reported that accumulated brokerage to be distributed to members from last year's insurance to the world's fair pool will approximate from \$16,000 to \$17,000. The fund will be distributed as early as possible.

A committee will soon be appointed to study the advisability of changing the nomenclature of classification to board members. The members are now designated classes 1, 2, 3, 4 and 5. There is a certain amount of dissatisfaction because of the inference of gradation in the numerical system.

Mr. Yager recommended changing class 1 to general agents and managers, class 2 to suburban members, class 3 to brokers, class 4 to real estate members and class 5 to non-resident members.

Objectionable features which characterized the old membership fund have been eliminated in the new fund which was started in July of last year.

Mr. Yager was reelected president. Vice-President Charles Buresh and Treasurer R. M. Magill were reelected. New members of the board are R. M. Cunningham, A. W. Jenkison and Mr. Magill.

The rules were amended to permit companies to use average rates on unsprinklered stock yards and packing house property in Chicago.

President Yager announced his committee appointments, the chairmen of

the various committees being: Budget and finance, Charles Buresh; clearing house, J. C. Bagby; fire department, F. J. Sauter; membership, W. C. Gielow; public relations, L. H. Dudley; sprinklered risk, C. S. Pellet, and fellowship, W. F. Jacobs.

Insurance Honors Roosevelt

NEW YORK, Jan. 31.—Insurance interests were largely represented at the ball at the Waldorf-Astoria last night in honor of President Roosevelt's birthday. Fully 5,000 were present. Speakers at the affair included Superintendent G. S. Van Schaick, Albert

Conway, former superintendent and now supreme court justice, and James J. Hoey, collector of internal revenue and a leading agent of this city. John A. Griffin, resident vice-president Fidelity & Deposit and a former business associate of President Roosevelt, was chairman of the insurance division.

Departments to Move

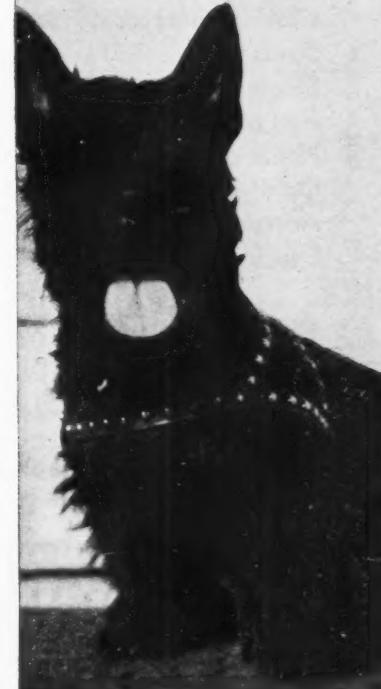
NEW YORK, Jan. 31.—For the greater convenience of brokers and their placers, the New York City departments of the Niagara Fire and Fidelity & Casualty, April 1 will be removed from their present locations to

the ground floor of the America Fore building, 80 Maiden Lane. The offices will continue under the present managements, H. J. Zechlin as secretary of the Niagara and H. V. Uppington as manager of the Fidelity & Casualty.

Phone Talk to Coast Men

Using the long distance telephone, Harold Warner, United States manager of the Royal-Liverpool group, made the opening address at the annual conference of Pacific Coast field men of the companies in San Francisco, Jan. 30.

All
good
business
men
are
going
Scotch!



A NATION-WIDE SERVICE

CONTROLLED COMPANIES OF

AMERICAN DISTRICT
TELEGRAPH COMPANY

155 SIXTH AVENUE - NEW YORK N.Y.

NEWS OF THE COMPANIES

Gulf of Dallas Statement

Annual Figures Show the Texas Company to Be in Excellent Liquid Position

The annual statement of the Gulf of Dallas shows assets \$3,215,521, including cash \$322,720, United States bonds and treasury notes \$527,945, current accounts due \$244,807, municipal and corporation bonds \$214,166, stock of the Atlantic Insurance Company \$449,782, other stocks \$850,417, mortgages \$215,493, real estate \$226,154, premium reserve \$1,014,580, capital \$1,000,000, contingency reserve \$40,000, net surplus \$1,021,231. The premiums written last year were \$1,264,059 as compared with \$1,052,479 the year before. Its reinsurance reserve increased from \$856,199 the year before. The assets increased from \$2,982,312.

The Atlantic shows assets \$552,747, premium reserve \$65,441, capital \$200,000, net surplus \$187,255, premiums \$138,063, contingency reserve \$18,000.

Meserole Group Promotions

Several promotions in the ranks of the Pacific Fire, Bankers & Shippers and New Jersey of the Meserole group are announced.

Three who have been assistant secretaries are made secretaries, they being S. G. Amerman, southern department; R. S. Oellers, western department; A. R. Matthews, accounting department.

E. G. Crapser, auditor, and E. H. Ulrich, eastern department, become assistant secretaries. E. F. Hall, manager loss department, is named general adjuster.

Companies' Good Showing

Rhode Island and Merchants of Providence Give Results of the Year's Operations

The Merchants of Providence and the Rhode Island, under the command of President E. G. Pieper, have issued their annual statements. The Rhode Island shows assets \$3,767,987 of which \$3,132,051 are stocks and bonds and \$168,593 cash. Its premium reserve is \$1,247,457, contingency reserve \$251,885, capital \$1,000,000, net surplus \$711,927. All stocks are carried at actual market value. Bonds eligible are amortized but otherwise are valued at actual market prices. The same rule of valuation was followed with the Merchants.

The assets of the Merchants are \$2,865,830 of which \$2,420,392 are stocks and bonds, \$168,118 cash. Its premium reserve is \$931,638, contingency reserve \$58,399, capital \$1,000,000, net surplus \$706,430.

Fidelity & Guaranty Reports

President Gantert Announces Statement Figures — Assets \$4,792,245 — Net Profit \$264,465 — Surplus \$851,248

BALTIMORE, Jan. 31.—Net profit of \$264,465, after deduction of loss payments, operating expenses and taxes, is reported for 1933 by the Fidelity & Guaranty Fire.

President Frank A. Gantert in his annual report cites these earnings, explaining, however, that a deduction of \$105,153 was made as a result of changing securities from book to convention val-

ues and a further deduction of \$110,742 representing loss on the sale of securities. The balance, carried to surplus, was \$48,569.

Total premiums written declined 6.6 percent. Earned premiums totaled \$2,735,037 and investment income was \$157,296, a total of \$2,893,234. During the year the company increased its holdings of United States bonds from \$60,000 to \$307,500. Total assets as of Dec. 31 were \$4,792,245 with net surplus of \$851,248. In concluding his statement President Gantert says:

"Your company has completed five years of development, which was, for the most part, coincident with an economic setback said to be unprecedented in the world's history; despite this depression which affected every phase of business production and administration, the Fidelity & Guaranty Fire has established itself as a progressive and dependable insurance company."

Company Convention Is Held

General of Seattle Group Called Number of Agents to Home Office for Conference

With an attendance of approximately 250, the annual agents' convention of the General of Seattle companies came to a successful conclusion Friday evening. Attendance was from Washington, Oregon, Idaho, Illinois, Minnesota, Montana, Colorado, California, and a contingent of 34 from Canada.

The convention program, which was in charge of A. B. Derifield, assistant to President H. K. Dent, was run along the theme of a better sales program for 1934. Speakers included President Dent; Executive Vice-president E. W. Hall; Secretary R. H. Baldwin; Assistant Secretary F. F. Kurz; T. E. Loynahan, newly appointed manager of the General Casualty; Ben C. Sturges, underwriting manager of the

casualty company; H. K. Horan, underwriting manager of the marine department; Sam G. Lamping, manager of the metropolitan department; H. E. Connors, chief fire prevention engineer; O. M. Thurber, manager public relations department; W. B. Hooker of Regina, Saskatchewan; John Scott of Chatfield, Minn., and others.

Mayor John F. Dore of Seattle welcomed the delegates and W. A. Sullivan, Washington commissioner of insurance, was the principal speaker at the banquet.

Special convention sessions were held by the officials, department managers, branch managers, general agents, and special field representatives. These sessions, which were closed affairs, were conducted by President H. K. Dent with Mr. Derifield, chairman.

Inter-Ocean Reinsurance Shows Liquid Condition

The annual statement of the Inter-Ocean Reinsurance of Cedar Rapids, Ia., shows assets \$3,944,845 of which \$368,871 is cash, \$2,100,317 bonds, \$333,693 stocks, \$605,968 mortgages, \$110,773 accrued interest, \$330,941 due from other companies. The premium reserve is \$1,907,708. It sets up a voluntary reserve of \$500,000. Its capital is \$500,000 and its net surplus \$1,015,936. The statement is based on market values as of Dec. 31, 1933. The company does strictly a reinsurance business on fire and allied lines and is in a very liquid condition.

Millers National Reports Premium Increase in 1933

The Millers National of Chicago, in its annual statement, reports assets \$5,362,729, including cash \$489,399, U. S. Government securities \$542,025, Canadian government \$176,000, state, county

INTER-OCEAN REINSURANCE COMPANY

CONDITION DECEMBER 31, 1933

ASSETS

Cash in banks.....	\$ 368,870.79
Bonds	2,100,317.41
Stocks	333,692.62
First mortgage loans.....	605,967.55
Home office building.....	87,781.79
Collateral loan.....	6,500.00
Accrued interest	110,773.43
Due from insurance companies.....	330,941.36
Admitted assets	\$3,944,844.95

LIABILITIES

Unearned premiums	\$1,907,707.77
Reserve for losses.....	219,881.05
Reserve for taxes.....	51,546.04
Funds held for treaties.....	26,642.74
All other liabilities.....	73,131.05
Voluntary reserve	150,000.00
	\$2,428,908.65
Capital	\$ 500,000.00
Surplus	1,015,936.30
Treatyholders' surplus	1,515,936.30
	\$3,944,844.95

This statement is based on market values as of December 31, 1933. Complete list of bonds and stocks will be furnished to insurance companies on request.

REINSURANCE — FIRE AND ALLIED LINES

Home Office
Cedar Rapids, Iowa

Eastern Department
123 William St.
New York City

and municipal \$1,247,679, school bonds \$879,725, public utility bonds \$1,056,509, railroad bonds \$370,963 and real estate \$123,979.

Premium reserve amounts to \$2,090,751; contingency reserve \$800,000, net surplus \$2,089,934.

Premiums written amounted to \$2,662,658, a slight increase over 1932, losses incurred \$973,273 and expenses \$1,200,613.

Automobile Has Good Showing

Total assets of the Automobile of Hartford at the end of 1933 amounted to \$18,248,792. The contingency reserve of \$1,500,000 represents the difference between convention values and actual market quotations. In addition there is a special reserve of \$1,600,000. Net surplus is \$3,366,387 and capital \$5,000,000. There is an underwriting profit of \$604,365. Net premiums written amounted to \$5,884,211, which was an increase of about \$20,000 over 1932.

The Standard Fire of Connecticut reports assets of \$4,454,066. Contingency reserve is \$300,000, net surplus \$1,225,164 and capital \$1,000,000. There was an underwriting profit of \$107,148. Net premiums amounted to \$1,449,311.

Beman Heads Iowa National

DES MOINES, Jan. 31.—C. E. Beman, Oskaloosa, Ia., has been elected president of the Iowa National Fire, succeeding C. S. Vance, who retires after 18 years of active service with the company. Mr. Beman has been a member of the executive board of the company since its organization in 1915. He was named vice-president last year.

C. L. Snyder was elected vice-president and general counsel. C. S. Miller continues as secretary-treasurer. John D. Berry was named manager of the underwriting and adjustment department.

Total assets Dec. 31 were \$1,173,606. Capital is \$200,000 and surplus \$453,355.

Harmony Fire Liquidated

The Harmony Fire of Kansas City, Mo., has been liquidated and its business affairs brought to a close. This company was organized in 1929 by Jenkins Music Company interests in Kansas City to write musical instruments sold by the company on the deferred payment plan. Assets reported Dec. 31, 1932, were \$281,816, premium reserve, \$10,444; capital, \$200,000, surplus, \$267,135; net premiums written, \$10,116; losses and adjusting expenses paid, \$5,783; underwriting expenses paid, \$7,060.

Takes Over Annisquam Mutual

The Holyoke Mutual Fire of Salem, Mass., has purchased the Annisquam Mutual Fire of Lynn, Mass., and taken over the assets and assumed all liabilities. Previously a temporary injunction had been issued by the Massachusetts supreme court restraining the Annisquam from doing further business.

The Madden Insurance Agency of Lynn, which has filed a petition in bankruptcy, owed the Annisquam \$6,664. The agency also owed the National Mutual Fire of Celina, O., \$2,832 and the Providence Mutual Fire \$2,096.

Atlantic Mutual Report

Assets of \$18,950,549 are reported by the Atlantic Mutual of New York. Certificate of profits outstanding amount to \$3,336,670, loss reserve \$3,461,425 premium reserve \$1,026,621, contingency reserve \$1,907,765 (representing difference between convention and actual market values). There is a voluntary reserve fund of \$1,000,000 and policyholders' surplus is \$8,559,552.

St. Paul Mutual's Business

The premiums and losses of the St. Paul Mutual in the Underwriters Handbook of Minnesota show only a part of its business. The total premiums for its Minnesota business are: 1927, \$40,662; 1928, \$45,568; 1929, \$64,755; 1930,

\$69,990; 1931, \$77,156; 1932, \$58,024. The losses should be: 1927, \$2,800; 1928, \$25,101; 1929, \$32,912; 1930, \$32,616; 1931, \$32,657; 1932, \$6,462. The six-year total of its premiums should be \$356,155 and losses \$132,548.

Mutual Merger Planned

OMAHA, Jan. 31.—Arrangements have been made by C. H. Clancy, president of the Missouri Valley National, for taking over the assets and contracts of the Nebraska Mutual Fire of Omaha, headquarters of which were recently removed from Lincoln. The mutual owes \$25,000 and is unable to pay. A tentative contract for merger has been submitted to Insurance Director Herdman.

Garrett Elected Director

C. E. Garrett of the Garrett agency in Kalamazoo has been appointed a director of the Detroit National Fire.

Company Notes

Charles R. Page, vice-president of the Fireman's Fund group, has been re-elected second vice-president of the San Francisco chamber of commerce.

C. C. Clardy, treasurer of the **Iowa Home Owners Mutual**, Des Moines, was elected vice-president at its annual meeting. Clarence Peterson, secretary, was elected treasurer as well.

An extra 5 percent dividend was voted by the **Inter-Ocean Reinsurance** of Cedar Rapids, Ia. The regular semi-annual dividend of 10 percent also was declared. E. M. Pinney was elected a director.

Oakland Agents Charge Coercion

OAKLAND, CAL., Jan. 31.—Unable to come to an agreement with the Jamieson-Towle-Willoughby Corporation, loaning agent for the Prudential, the Oakland Association of Insurance Agents has protested the practices of the firm to the Prudential. The agents charge coercion of borrowers.

San Antonio Agents Discuss Code

The San Antonio Insurance Exchange held a meeting Monday to discuss the NRA code filed by the National Association of Insurance Agents.

INSURANCE STOCKS

By H. W. Cornelius, Bacon, Whipple & Co., 135 S. La Salle St., Chicago, at close of business Jan. 30.

	Div. per Stock	Par	Share	Bid	Asked
Aetna Cas.	.10	1.60		.54	.56
Aetna Fire	.10	1.60		.33	.40
Aetna Life	.10			.20	.21
Am. Equit. Assur	.5			.20	.21
American, N. J.	.250	.50		.9	.11
Amer. Surety	.25			.20 1/2	.22
Automobile Con.	.10	1.00		.22	.24
Bankers & Ship.	.25	.50		.45	.50
Boston	.100	16.00		.440	.460
City of N. Y.	.100	*7.50		.148	.153
Continental Cas.	.5			.13 1/2	.15
Continental Ins.	.250	1.20		.32	.33
Federal Ins.	.10	2.00		.59	.61
Fidel-Phenix	.250	1.20		.31 1/2	.32 1/2
Fire Assn.	.10	1.00		.40	.42
Fireman's Fund	.5	3.00		.59	.60
Fireman's F. Ind	.10			.18	.20
Firemen's F.	.5			.5 1/2	.6 1/4
Franklin Fire	.5	1.00		.19 1/2	.21
Glens Falls	.10	1.60		.28	.30
Globe & Rutgers	.25			.38	.43
Great Amer. Ind	.1			.10	.12
Great American	.5	1.00		.19 1/2	.21
Hanover	.10	1.60		.30	.32
Harmonia	.10	*1.00		.19	.21
Hartford Fire	.10	2.00		.46	.48
Home, N. Y.	.5	1.00		.23	.25
Ins. Co. of N. A.	.10	2.00		.44	.45
Knickerbocker	.5			.8	.10
Maryland Cas.	.1			.1 1/4	.1 1/4
Mass. Bonding	.25			.13	.15
National Cas.	.10			.6	.7
National Fire	.10	2.00		.48	.50
National Liberty	.2	*.20		.5 1/2	.6 1/4
National Union	.20			.68	.72
New Amst. Cas.	.5	1.20		.10	.11
New Brunswick	.10	1.00		.19	.21
N. Hampshire F.	.10	1.60		.32	.34
N. W. National	.25	5.00		.88	.95
Occidental	.10			.16	.17
Phoenix, Conn.	.10	2.00		.56	.58
Prov. Wash.	.10	.80		.24	.26
Sprgld. F. & M.	.25	4.50		.87	.89
St. Paul F. & M.	.25	6.00		.122	.125
Westchester F.	.250	1.00		.23	.25
Travelers	.100	16.00		.420	.430
U. S. Fire	.4	1.20		.33	.35
U. S. Fid. & G.	.2			.4 1/2	.5 1/4

*Paid during 1933.

GULF INSURANCE COMPANY DALLAS, TEXAS

Annual Statement as of December 31, 1933

ASSETS

Cash in Banks and in Office.....	\$ 322,720.33
U. S. Bonds and Treasury Notes.....	527,944.50
Due from Agents and Other Companies (Current Accounts Only)	244,807.39
TOTAL "QUICK" ASSETS.....	\$1,095,472.22
<i>(Showing liquid position of 100% in comparison with obligations to policyholders)</i>	
Municipal and Corporation Bonds.....	214,166.30
Premium Notes (100% Secured)	70,748.48
*Stock in Atlantic Insurance Co.....	449,782.40
Other Stocks	850,417.32
Mortgage Loans	215,492.62
Collateral Loans	62,580.43
Real Estate	226,154.28
Accrued Interest	16,456.29
Other Admitted Assets.....	14,250.70
TOTAL	\$3,215,521.04

LIABILITIES

Reserve for Unearned Premiums.....	\$1,014,579.92
Reserve for Losses in Course of Adjustment.....	77,477.00
OBLIGATIONS TO POLICYHOLDERS.....	\$1,092,056.92
<i>(Showing liquid position of 100% in comparison with obligations to policyholders)</i>	
Due to Other Companies.....	37,232.66
Reserve for Taxes.....	25,000.00
Reserve for Contingencies.....	40,000.00
Cash Capital	1,000,000.00
Net Surplus	1,021,231.46
TOTAL	\$3,215,521.04

We have voluntarily set up a Reserve for Contingencies of \$40,000.00 against stock values. All bonds carried at amortized values.

*Atlantic Insurance Company is owned and operated by Gulf. While the value of Atlantic stock must be technically shown as a "stock" in the Gulf statement, a large part of the Atlantic's assets consists of Cash, U. S. Bonds and other quick assets, thereby adding materially to the Gulf's liquid position.

Surplus to Policyholders \$2,021,231.46

COMPARISON WITH PREVIOUS YEAR

	1932	1933
Net Premiums Written.....	\$1,052,478.87	\$1,264,085.39
Reserve for Unearned Premiums....	856,199.06	1,014,579.92
Assets	2,982,312.42	3,215,521.04
Surplus to Policyholders.....	2,011,255.32	2,021,231.46

The Gulf and Atlantic have on deposit with the Insurance Department of Texas Bonds valued at \$150,000 for the protection of policyholders everywhere.

AS SEEN FROM CHICAGO

FRED S. JAMES & CO. SCHOOL

Members of the firm of Fred S. James & Co., Chicago, department heads and office brokers this week started attending a class in life insurance fundamentals, policy contracts and sales material conducted by Samuel Leland, Jr., manager of the life department. There will be seven more lectures in the series which will be held Monday evenings from 5 to 6 p.m. Mr. Leland has had considerable life insurance teaching experience for several years, having conducted a school in the Chicago general agency of the Aetna Life, with which he previously was connected.

* * *

MRS. HERRING ACTING SECRETARY

The executive committee of the Illinois Insurance Federation announces the appointment of Lillian L. Herring as acting secretary, succeeding E. M. Ackerman, who resigned as secretary to become associate editor of the "Insurance Field" at Louisville. Mrs. Herring has had considerable experience in insurance and secretarial work.

She was with the Chicago branch of the old New York Indemnity in 1927, and later was chief clerk in the Chicago office of the American Employers. Recently she has been chief clerk of the employment department of Remington Rand in Chicago.

* * *

TO ENFORCE ILLINOIS LAWS

Further protection of policyholders and the fullest development of the insurance business in Illinois brought about through rigid enforcement of existing Illinois insurance laws are announced as basic programs of the insurance division, Illinois chamber of commerce, by J. T. Meek, secretary of the insurance division of this group.

"Our committee," says Mr. Meek, "is going to work with the Illinois chamber as an organization representing policyholders and business interests in an effort to force a cleanup of the Illinois insurance situation. The present insurance director, Ernest Palmer, is fully in accord with our program and believes it will be of considerable help

to him. What the Illinois chamber of commerce will do will be to investigate all shaky or illegitimate situations in the interest of the policyholders and, naturally, for the betterment of the honest companies that deserve the confidence and support of insurance buyers. Upon completion of all investigations, briefs and recommendations will be sent to the insurance department for action. Obviously, the state chamber will not permit any undue delay, realizing that some unfortunate failures already occurring in Illinois would and could have been prevented through immediate action. We want the insuring public to realize that this basic program is for its benefit primarily. As for the industry itself, it recognizes the importance of bringing the Illinois insurance situation on a par with that of the best in the United States. From a broader standpoint, such development will undoubtedly bring new insurance capital and new prosperity to Illinois in the form of more employment, more payrolls and more dividends."

* * *

U. S. F. & G. IN NEW QUARTERS

The Chicago branch office of the United States Fidelity & Guaranty and the Fidelity & Guaranty Fire this week opened handsome offices on the first, second and third floors in 170 West Jackson boulevard. This is the only branch office on the ground floor in the "loop." Various departments scattered in 231 South LaSalle street and the Insurance Exchange have been consolidated under one roof. The formal opening is to be held Thursday, with W. O. Schilling and J. Dillard Hall, associated managers of the U. S. F. & G. and Manager R. D. Flinn of the Cook county department of the fire company as hosts. The quarters are sumptuously furnished. There is a great colored insignia of the U. S. F. & G. over the street door. Managers Schilling and Hall occupy desks near the entrance. Beyond is the underwriting personnel. Clerks and policywriters are on the second floor. On the second floor are the offices of Manager Flinn of the Fidelity & Guaranty Fire, which is moving from the Insurance Exchange; the files, switchboard, accounting, inspection and payroll audit departments. On the third floor are office brokers, the consolidated general and compensation claims departments, and medical department with hospital. New telephone number is Wabash 6420. Members of the Surety Underwriters Association of Chicago will hold a get-together meeting in the new U. S. F. & G. offices Thursday afternoon in honor of E. M. Ackerman.

* * *

AMERICA FORE CONFERENCES

Field men reporting to the western department of the America Fore companies have been going to Chicago throughout the month of January in groups for two day conferences with western department officials. The farm field men have been brought in in three groups for conferences with Farm Manager I. D. Goss.

* * *

GRUPE OPENS LLOYDS AGENCY

A. H. Grupe, long prominent in the Chicago insurance world, has opened an office in the Insurance Exchange, Chicago, to specialize in Lloyds cover. Mr. Grupe has been appointed general agent of Chicago Lloyds for all lines on a full fledged basis with power to bind and write policies. He will specialize in fire, automobile and the household comprehensive forms. Mr. Grupe also has been appointed an accredited representative in Illinois for London Lloyds with power-of-attorney to issue binders. He has been in insurance all of his business life, starting in St. Louis and then going to Chicago where he became vice-president of H. G. B. Alexander & Co., an organization affiliated with the Continental Casualty and Continental Assurance group. Later he was a member of the Strom, Carlson, Grupe local agency there.

Again Detroit Chief



H. L. NEWNAN

H. L. Newnan, Detroit Insurance Agency, has been reelected president of the Detroit Association of Insurance Agents.

Aetna Fire Group in 1933

Annual Figures Bring Out Interesting Facts and Demonstrate a Strengthening of Position

The Aetna Fire reported an underwriting profit of \$1,836,260 as compared with \$1,134,141 in 1932. The underwriting profit of the Aetna Fire and its three affiliates was \$1,575,758 compared with net loss in 1932 of \$106,786. The Aetna Fire's surplus increase was \$275,468. It increased its conflagration reserve by \$500,000. Its premiums were \$15,243,453, decrease \$2,381,843. The World F. & M. premiums were \$1,037,992, decrease \$61,705. The Piedmont Fire premiums were \$242,353, gain \$67,481. The Century Indemnity premiums were \$4,837,101, gain \$573,705. The premium reserve released from the Aetna Fire was \$2,320,047 and for the World F. & M. \$88,958. The Century Indemnity increased its premium reserve \$170,211 and the Piedmont increased its reserve \$71,352. The Aetna Fire showed excess of disbursements \$281,639 which contrasts with a trade loss of \$2,086,557 in 1932. The World F. & M. showed a trade gain of \$137,753. The Century Indemnity showed a trade gain of \$65,265 compared with \$1,011,055 loss for 1932. The Century Indemnity underwriting loss in 1933 was \$535,755 as compared with \$1,366,414 in 1932.

President W. R. McCain says that if the government succeeds in increasing commodity prices, insurance premiums will naturally improve. The Aetna has been discontinuing a large part of its farm business which accounts for a considerable part of the premium decrease. Mr. McCain says the expenses have been reduced over \$1,000,000. The marine department made a good showing last year. The World F. & M. surplus is over \$2,000,000 and its capital is \$1,000,000. The Century Indemnity has continued to improve its situation.

Audits	Investigations
FERGUSON, DANIELS & PORTER	
ACCOUNTANTS AND ACTUARIES	
102 Maiden Lane, New York, N. Y.	
Organization Management	

VIEWED FROM NEW YORK

By GEORGE A. WATSON

SITUATION IN CUBA

Following recognition by the United States of the Mendieta government in Cuba, political conditions in the island have steadied for the time being at least, though professional agitators are still active in certain provinces. There is no guaranty that a further upheaval will not occur ere long. While the substantial professional and business elements of the island are standing squarely behind President Mendieta, there is a growing sentiment on the part of the communistically inclined to force out foreign interests, a situation underwriters appreciate and which makes them extremely cautious in writing riot and civil commotion covers, numerous applications for which are being made by brokers controlling Cuban lines. One large American corporation, with plants in a number of cities throughout the island, sought a riot and civil commotion policy, offering to pay double the normal rate and to accept a \$1,000 deductible clause.

* * *

PEARL EXTENDING ITSELF

The Pearl of London announces the appointment of John R. Bear as superintendent of agents. He was formerly contact man for John C. Paige & Co. of Boston with headquarters in that city. S. G. Stevens has been appointed general agent for Virginia, license to

operate in that state having been received, and will have his headquarters in Lynchburg. He is a brother of G. C. Stevens, general agent of the Pearl in New York, and was a local agent at Lynchburg, Va., from 1895 until 1912. He was then made general agent of the Liverpool & London & Globe for Porto Rico and more recently has been with the local firm of Cornwall & Stevens. The Pearl has applied for license in North Carolina and when this is granted Mr. Stevens will become general agent for that state also. Virginia makes the 28th state in which the Pearl is now licensed and the company is reported to be making many additions to its agency roster. When the Pearl became a direct writing company, it was announced that it would only have agency representation in the larger cities but this rule seems to have been rescinded.

* * *

METHODS OF VALUATION

While the Canadian Association of Insurance Superintendents adopted the formula of the National Convention of Insurance Commissioners for valuing securities of companies in their annual statements for 1933, certain provinces of the Dominion are reported as having decided to call for market value figures as of Dec. 31. Some states in this country will follow the same practice. Even so, the result will show very little change in the two methods, market quotations in so far as stocks are concerned being very close on Nov. 1 to those recorded on Dec. 31. In order to take up whatever discrepancy there may be between convention figures arrived at under the convention formula and strict market quotations as of the last day of the year, companies are now authorized to advertise that the contingency reserves set aside and included among their liabilities, takes care of such differences. Hence in order to ascertain market values in any company's portfolio one has to subtract the contingent reserve from the convention figures.

* * *

FULLER & KERN NAMED

The well known agency of Fuller & Kern has been appointed New York metropolitan managers for the Eagle Star & British Dominions.

* * *

P. S. Ferguson will direct the course on insurance accountancy newly established by St. John's University School of Commerce, Brooklyn.

To Pay Claims in Full

NEW YORK, Jan. 31.—As liquidator of the North America Inter-Insurers of this city, Superintendent Van Schaick has been authorized to pay all claims in full and to return to subscribing members some \$250,000 balance standing to their credit. The organization wrote fire and lightning insurance. While solvent at all times, its liquidation was asked by subscribers because of the falling off of business.

Amarillo Exchange Elects

AMARILLO, TEXAS, Jan. 31.—Fancher Upshaw heads the Amarillo Insurance Exchange as president, succeeding George Ordway. Jeff Neely is the new vice-president. New directors are Frank Slater and D. W. Owen. Other directors holding over are E. E. Finch and George Williams. D. C. Regal, the secretary-treasurer was re-elected for the new year.

Fire Association Statement

The annual statement of the Fire Association shows admitted assets \$18,986,913 and policyholders surplus \$6,817,199. Liability items are: Premium reserve \$8,187,906, loss reserve \$1,288,-

681, reserve for taxes, commissions, etc., \$581,595; reserve for contingencies \$2,111,531, capital \$2,000,000. Net surplus on a strictly market basis, Dec. 31 is \$1,200,000 larger than a year ago.

Fred Deggendorf Honored

Fred C. Deggendorf, who retired recently as Indiana state agent of the National of Hartford, was tendered a complimentary dinner Monday evening by his former associates of the state agency who also presented him with a handsome pen and pencil set. Mr. Deggendorf is now making his home at Warsaw, Ind.

Rate Quiz Requested

A resolution has been introduced in the West Virginia house for an investigation of fire and marine rates in the state, with a view to bringing about their reduction.

The resolution asks an inquiry into

the practice of imposing an overhead charge of 45 percent for administrative and other costs and an inquiry into the advisability of requiring the companies to report their losses by classes in order that "fair, just and reasonable rates may be applied and discriminatory premium charges avoided."

The resolution sets forth that rates were increased in 1927, that in 1929 rates were reduced in Virginia and North Carolina and that although companies claim to be losing money in West Virginia, the number of companies increased from 207 in 1920 to 267 in 1932.

Providence Washington Gains

The Providence Washington had a 1 percent increase in net premium income last year. Its operating earnings for the year were \$820,727, a gain of \$250,000 over 1932. A satisfactory underwriting profit was scored.

Salesmanship Alone

Is Not Enough

Any good salesman knows that he must have a product or service worth the money. Brass bound bricks of lead won't pass for gold any more. So quality is essential.

But even salesmanship plus quality won't turn the trick. You must be known in your city as a reliable agent. You must have prospects to call on, not mere suspects. You must systematize your selling time, your selling efforts. You must know how to get in to the right man's office as well as what to do after you're there.

How?

Well, we can't give you the complete answer but we've a number of suggestions, a number of ideas, quite a few clues. (Don't forget, you must have quality first—of which these companies are typical.) Some of these clues are in a brand new booklet, "Mail Advertising for Local Agents" that's yours for the asking. Other useful plans are in two more booklets, not so new but none the less good, called "The Insurance Survey, A Selling Tool" and "Prospect and Mailing Lists." Send, today, for this miniature library on insurance sales promotion technique. One or all of them are free. You'll find them full of concrete, sensible, useful and profitable ideas for your agency.

The LONDON ASSURANCE

The MANHATTAN

Fire and Marine Insurance Company

The UNION FIRE,

Accident and General Insurance Company



99 JOHN STREET

NEW YORK



NATIONAL UNION
FIRE INSURANCE
COMPANY
Pittsburgh, Pa.

Incorporated

1901 FEBRUARY 1901						
SUN	MON	TUE	WED	THU	FRI	SAT
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28		

33 years

A
Good
Agency
Company



NEWS OF FIELD MEN

Griffin Is Made State Agent

Casualty Manager of Firemen's Group Companies to Supervise New Jersey for Superior

William R. Griffin has been appointed New Jersey state agent for the Superior of the Firemen's of Newark group. He has been resident vice-president in charge of the Newark branch of the Commercial Casualty and Metropolitan Casualty of the same group. He has been in the insurance field for a number of years and is well known in New Jersey and New York. He entered insurance work with the Aetna Life in 1906 and remained with that company until 1914, when he resigned to go with the Commercial Casualty and in 1921 was made assistant secretary in charge of the liability and compensation departments. He was for a time in charge of the Brooklyn office of the companies and eventually was transferred to the Newark office. He was made secretary of the Commercial Casualty in 1929.

Mr. Griffin will be assisted in his new position by Special Agents Harlan Short, T. H. Leahy, J. B. Rooney, F. W. Hoops and T. F. Sheehan.

Illinois Pond Gives Birth to Fine Infant at Peoria

PEORIA, ILL., Jan. 31.—Amid the wintry blasts of Peoria's coldest day the newly organized puddle of the Blue Goose was ushered into existence and by some clever maneuvering by J. N. Borah and a few more leaders in organization plans the puddle did not freeze.

Thirty or more field men thawed out for the gatherings and judging from the enthusiasm the Illinois pond gave birth to a fine infant.

J. D. LaTeer, state agent Agricultural, was named bull-frog; David C. Girardot, manager Western Adjustment, was named tadpole and chairman of the entertainment committee; and J. N. Borah, superintendent Illinois Inspection Bureau, was selected croaker.

Much credit for the organization is due Mr. Borah who spent considerable time and effort in perfecting plans for the Peoria puddle. He acted as temporary chairman and when Mr. LaTeer was named bull-frog he presented him with a gavel.

L. H. Bridges, most loyal grand gander, was an honored guest and made a short talk.

C. W. Ohlsen, most loyal gander of the Illinois group, phoned the Peoria puddle while they were in session expressing his regret at his inability to attend.

Start Oklahoma Inspection

OKLAHOMA CITY, Jan. 31.—The Oklahoma Fire Prevention Association began its season's activities with an inspection of Clinton. Banquet speakers were W. S. Eberle, secretary; Rex Kendall, state agent American; C. T. Ingalls, manager Oklahoma Inspection Bureau, and H. J. Clark, chief engineer of the inspection bureau.

The following day Cordell was inspected. A demonstration of the effect of overloading electric wires and the havoc that can result from fire was given by Carl Lund, past president. Duncan will be inspected in February.

Watson to Be Speaker

Leon Watson, rating expert for the Schedule Rating Office of New Jersey, will be the speaker at the luncheon meeting of the New Jersey Special Agents Association at Newark, Feb. 5.

Tennessee Position Is Filled

Sun of London Appoints Edgar Reed and Raymond Baruth to Cover the State

Edgar W. Reed of Columbia, Ky., state agent of the Sun of England group in his state, will assume jurisdiction also over Tennessee following the death of State Agent John O. White. He has been in charge of Kentucky since July 1, 1928. Mr. Reed formerly traveled in Tennessee and therefore is well acquainted in the state. Raymond W. Baruth of the western department office in Chicago has been appointed special agent and will assist Mr. Reed in both states. He has served for many years as examiner for Kentucky and Tennessee. Mr. Baruth has been connected with the Sun for the last 10 years. Both field men will make their headquarters at Columbia, Ky.

Heart of America Blue Goose

KANSAS CITY, Jan. 31.—With C. W. Bean of the America Fore as chairman the Heart of America Blue Goose will hear Monsignor McCaffrey, secretary to Bishop Lillis and brother of Tom McCaffrey, special agent Home, and Neil McCaffrey, state agent for the Home, at the meeting Feb. 5. Two new members were initiated at the meeting this week.

Racine Will Be Inspected

A two-day inspection and educational campaign will be conducted in Racine Feb. 6-7 by the Wisconsin Fire Prevention Association. A meeting will be held the evening of Feb. 7, at which R. E. Verner, Western Actuarial Bureau of Chicago, will be the chief speaker. Harry K. Rogers, engineer of the bureau, will address a noon meeting Feb. 5. He will also put on his fire clown act before the first six grades of children.

Hagglund Is State Agent

C. J. Hagglund has been appointed state agent of the Security of New Haven and its affiliates in South Dakota with headquarters at Sioux Falls. Since last April Mr. Hagglund has been special agent of the New Haven Underwriters in South Dakota, prior to which he traveled for the Globe & Rutgers in that state.

Wade Wissler Big Toad

Wade Wissler of the Automobile of Hartford has been elected big toad of the Tulsa (Okla.) puddle of the Blue Goose. Polliwog is H. W. McBride, Oklahoma Inspection Bureau; croaker, L. F. Britton, Oklahoma Inspection Bureau; treasurer, C. E. Thacker, Thacker & Co.; bouncer, Joe Bottler, Fire Companies Adjustment Bureau.

Arthur Knox With the Century

Arthur S. Knox, at one time in the New England field for the Queen, will travel the same territory as special agent for the Century of Scotland, making headquarters at Hartford. He is a son of the late John B. Knox, long secretary of the Phoenix of Hartford, and is one of the best known fire underwriters in New England. For several years he conducted a local agency in Hartford.

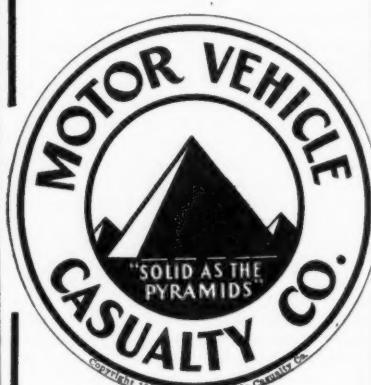
Sullivan Serves Entire Fleet

J. D. Sullivan, who for some years has been special agent for the Westchester Fire in northern New Jersey, outside Bergen, Essex and Hudson counties, will henceforward serve all of the other companies embraced in the Crum & Forster fleet in the same ter-

Under same management for 19 years.

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Automobile
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Inquiries from responsible agents and brokers welcome.



HOME OFFICE

223 W. Jackson Blvd., Chicago,
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A STOCK AUTOMOBILE
COMPANY

Established 1914
as Motor Vehicle Underwriters
Incorporated 1930

ritory, as well as succeeding W. W. DuPont, who mysteriously disappeared some weeks ago, and is thought to have been drowned. Mr. Sullivan has established headquarters in Newark.

New York Blue Goose Elects

At the annual meeting of the New York Blue Goose at Syracuse, S. A. Metherer of Newark, N. J., grand supervisor of the flock, was present as guest of honor. He installed the new officers. C. W. Inglehart, special agent of the North America at Syracuse, was elected most loyal gander. J. R. Ryan of the New Hampshire was chosen supervisor. F. M. Kelley of Syracuse, Home of New York, was chosen custodian. W. C. Truner of the St. Paul F. & M. at Buffalo was chosen guardian. F. J. Doyle of Albany, North America, was chosen wielder and W. W. Wakeman, Jr., of the Ohio Farmers and Millers National at Syracuse, was chosen keeper.

Plan Racine Inspection

RACINE, WIS., Jan. 31.—R. E. Veron, Western Actuarial Bureau, will be the principal speaker at the fire prevention dinner here Feb. 7, at the completion of a two-day inspection of Racine by the Wisconsin State Fire Prevention Association. On Feb. 6 the Racine inspectors will be guests at a dinner and entertainment at the Racine Country Club. H. K. "Smoky" Rogers, Western Actuarial Bureau, will be in Racine to appear before school children and luncheon clubs.

Joins Union of Canton

C. E. Sword, Canadian manager of the Union Insurance of Canton, has appointed J. H. Baignee, inspector for the province of Quebec. He was for 12 years with the Globe & Rutgers under the management of J. W. Binnie, who is now associate manager for Canada of the Union of Canton group.

Wichita Field Men Meet

WICHITA, KAN., Jan. 31.—Twenty of the 42 field men, adjusters and inspection bureau men residing in Wichita attended a luncheon meeting to consider the reorganization of a field club or possibly the organization of a Blue Goose puddle. George Steeples, Home; Carl E. Bailey, Crum & Forster, and E. B. Fergus, Kansas Inspection Bureau, were named a committee to secure data regarding the latter. H. C. Cunningham of Sheffer & Cunningham, independent adjusters, was named temporary secretary and C. C. Crow, Underwriters Adjusting, was appointed chairman of the next weekly luncheon. If a Blue Goose puddle is organized, at least eight goslings will be initiated and several petitions for flight will be secured from other ponds.

Phoenix of Hartford Rally

The annual conference of field men of the Phoenix of Hartford will be held at the home office Feb. 6-8. The meetings will be addressed by President Milligan and Vice-President George C. Long, among others, and plans will be laid out for the year.

Mill Owners Ontario Appointment

I. E. Sams, Canadian manager for the Mill Owners Mutual Fire of Iowa, has appointed W. G. Hinder, inspector for Ontario. Mr. Hinder has spent over 15 years in the Ontario field with such companies as the London & Lancashire, Canadian Surety, Provident and more recently the Massie & Renwick group.

Field News Notes

Mrs. L. F. Schmidt, Mrs. I. E. Frey and Mrs. J. F. Hamilton were hostesses at the monthly luncheon meeting of the Wisconsin Women of the Blue Goose in Milwaukee.

Prof. G. O. Russell, director of the speech clinic at the Ohio State University, addressed the Ohio Blue Goose at its luncheon in Columbus Monday.

Sam B. Hume, executive secretary Cal-

Hanover Western Official in Its Employ 35 Years



WILLIAM K. MAXWELL

The western department of the Hanover Fire is having a number of anniversaries these days. Recently Western Manager C. W. Higley, who is also president of the company, celebrated his 40th anniversary, the department having started 40 years ago, Jan. 1. V. M. C. Nelson, chief accountant, who began with the department, celebrated his 40th anniversary. His brother, A. J. Nelson, one of the chief examiners connected with the Hanover, Feb. 7, 37 years ago. Another of the Nelson brothers, H. Nelson, started 33 years ago. The combined time service of the three Nelson brothers therefore is 112 years. Vice-President Montgomery Clark started as a field man for the company in Wisconsin in 1908. Assistant Manager John Rygel will celebrate his 25th anniversary with the company next year. J. W. Cameron, one of the western examiners, is rounding out 37 years of service.

Maxwell Has Fine Record

W. K. Maxwell, well known assistant western manager, on Thursday of this week can chalk up 35 years of service. He is regarded as one of the substantial, high-minded officials of the organization who has always maintained a clean record. He springs from Lincoln, Ill., where his brother, the late Charles C. Maxwell, was a local agent. W. K. joined him and on the death of the brother in July 1898, W. K. Maxwell was licensed as an agent. Later the firm was changed to Maxwell, Hunter & Co., and still represents the Hanover. While he was a local agent representing the Hanover, Fred A. Hubbard was Illinois state agent. He liked the cut of the job of young Maxwell, saw that he meant business and was ambitious to make something out of himself. Therefore on Feb. 1, 1899, Mr. Maxwell was appointed special agent traveling with State Agent Hubbard. When Mr. Hubbard was called to the western department as assistant manager, Mr. Maxwell became state agent. When Montgomery Clark was elected vice-president, he then being assistant western manager, Mr. Maxwell succeed him in April, 1923. In honor of the occasion his associates placed a fine bouquet on his desk and presented him with a trusty pipe and a stately desk clock.

Ifornia Council on Oriental Relations, addressed the San Francisco Blue Goose Jan. 29 on "A Square Deal in the Pacific." William Deans of Selbach & Deans was chairman.

C. R. James, Milwaukee, Aetna Fire special agent, spoke on "Fire Prevention in the Home," at the Beloit and Stoughton, Wis., safety schools.

INCORPORATED 1799

PROVIDENCE WASHINGTON INSURANCE CO.

of Providence, R. I.

Capital \$3,000,000

INCORPORATED 1928

ANCHOR INSURANCE CO.

Providence, R. I.

Organized and Owned by the Providence Washington Insurance Co.

Capital \$1,000,000

Each of these Companies writes the following classes of Insurance

FIRE—TORNADO—OCEAN and INLAND MARINE
AND THEIR ALLIED LINES
AUTOMOBILE—FIRE, THEFT and COLLISION

COMBINED POLICIES
AUTOMOBILE—FULL COVERAGE
GOLFERS' EQUIPMENT and LIABILITY
WITH

MARYLAND CASUALTY COMPANY

INCORPORATED 1852

VIRGINIA FIRE AND MARINE INSURANCE CO.

Richmond, Va.

Capital \$500,000

FIRE SPRINKLER LEAKAGE TORNADO AUTOMOBILE INSURANCE

WESTERN DEPARTMENT: 175 W. Jackson Blvd., CHICAGO, J. R. Casel, Manager

Established 1923

LINCOLN FIRE INSURANCE COMPANY OF NEW YORK

A strong and seasoned institution with a rugged honesty in conduct and service to its policy-holders and agents.

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WM. A. BLODGETT

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90 John St.
New York

PACIFIC COAST DEPT.
114 Sansome St.
San Francisco

COOK COUNTY AND BROKERAGE DEPARTMENT
1264 Insurance Exchange, CHICAGO

Indiana Day Revived with Enthusiasm in Big Meet

By IRVING WILLIAMS

INDIANAPOLIS, Jan. 31.—Over 200 fire and casualty home office, field and local representatives were welcomed by C. O. Bray, president of the Insurance Federation of Indiana, at the opening session of Indiana Insurance Day, celebrated at Indianapolis Tuesday. "Cooperation," he said, "is the key-note of the federation purpose."

Ralph G. Hastings of Washington, Ind., chairman of the board of the Indiana Association of Insurance Agents, made an appeal in behalf of membership in the Indiana association. He pointed out how bad practices have been eliminated and conditions improved in other industries and professions through trade organizations. The insurance man should emulate these undertakings so far as his own business is concerned. Mr. Hastings said he looks forward to the time when companies will not appoint an agent until he has been approved by a competent board. The trade organization will have more and more to say about how the individual shall run his business. Therefore the individual should have a voice in the affairs of the organization.

Membership Campaign

J. A. Searles of Marion, chairman membership committee Indiana Association of Insurance Agents, announced a membership campaign is being launched. "The agent who is thinking only of the commission he is to get had better change his business," he said, "for he'll get ironed out later."

An address by M. P. Cornelius, executive vice-president of the Continental Casualty, on "The Outlook for Casualty Underwriters in 1934," was closely followed. That the business of casualty underwriting is still in its formative stage he pointed out and recounted some of the developments which have had a bearing on the difficulties these companies have encountered in the past four years. He said recent developments have emphasized the fact that casualty companies should never be regarded as investment trusts but as underwriting institutions primarily.

Farm Insurance Featured

For the first time in the history of Indiana Insurance Day farm insurance was given a place on the program and C. A. Cook, Indiana state agent Fidelity-Phenix farm department, spoke on the topic, "Present Day Farm Underwriting Opportunities." This paper elicited high praise in the lobby sessions, as Mr. Cook is recognized as a leading authority on this subject, because of his 40 years of success in this field.

With practical illustrations from the experience of his own agency, A. G. Allen, secretary P. K. Morrison Agency in Muncie, Ind., presented the importance of intelligently "Servicing Insurance Accounts."

En route on a tour through a number of cities of the middle west, Vincent Cullen, president National Surety, was able to give first hand information on the "Outlook for the Surety Business." In Detroit, Chicago, Milwaukee, St. Paul, St. Louis and other cities he had found reasons for much encouragement although he believed that in certain departments the bonding business is still in for more trouble in 1934. Many contractors, inexperienced in public works jobs, are getting into this line now and the results are pretty certain to be costly for the bonding companies, Mr. Cullen said. "I predict surety companies will lose more money in 1934 in writing contract bonds than they have in years," he said. In addition to the inexperience of many con-

tractors who are going into the public works field they are confronted by great uncertainty as to costs of materials and labor.

However, the outlook in the fidelity field is much brighter, he said. There is a better feeling apparent in the cities he visited and general business conditions are better. Insurance men, he said, report better business, better conditions and smaller losses. "I believe for fidelity 1934 will be the most prosperous year since 1928," he declared. There is greater employment, salesmen are going on the road, there is an upward trend in commercial and blanket bonds and there is more money in circulation. Burglary business is also improving, he reported, with a decrease in losses.

Big Luncheon Session

"Generally speaking, we have gone through the furnace," he declared, "and I hope it has taught us not to indulge in a lot of wasteful competition. When you compare the insurance business with other business it has stood up magnificently."

With the addition of life underwriters, nearly 500 assembled for the luncheon session. Governor McNutt of Indiana was introduced by Commissioner McClain. In an eloquent and forceful address, the governor paid high tribute to the insurance business and the service it is performing under trying conditions.

He denounced plans for liquidation that are proposed which are "destructive to debtor and creditor alike." He praised the spirit of cooperation which insurance companies had manifested in dealing with mortgage problems. That debtors should be given a chance to readjust themselves to greatly changed conditions, he declared, and that creditors should be satisfied where security is maintained if income is kept up and obligated property is properly managed and not wasted. The present laws are sufficient to meet the conditions, he said, and referred to the recent Minnesota moratorium case which has been sustained by the United States Supreme Court. He discussed foreclosure proceedings, recognizing the rights of mortgagees as well as mortgagors. "We ought to protest vigorously," he declared, "against legislation which would allow communities and municipalities to liquidate their obligations through bankruptcy." The maintenance of community credit he declared to be of paramount importance and said that it was the aim of his administration to preserve this relationship in Indiana.

E. B. Thurman Speaks

The next speaker at the luncheon session was E. B. Thurman, general agent of the New England Mutual Life at Chicago, who spoke on "Harnessed Power."

Frank M. Chandler, who eleven years ago, when manager of the Travelers at Indianapolis, conceived the idea of holding a state insurance day, was in the audience and Mr. Bray called upon him to present the Chandler Trophy, a large silver cup which Mr. Chandler had donated some six years ago to be awarded each year to the person who, in the opinion of the committee appointed for the purpose, had contributed most for the general good of the business during the past year. With appropriate remarks Mr. Chandler presented the cup to Russel T. Byers, vice-president American Central Life.

Commissioner McClain closed the luncheon session with an appeal for support of the Insurance Federation of

(CONTINUED ON PAGE 18)

General Control of Risks by One Agent Advocated

General control of all of the insurance on one business should be placed in the hands of a single agent, according to A. G. Allen of the P. K. Morrison & Co. agency of Muncie, Ind., who delivered an address during Indiana Insurance Day.

Too many business men buy insurance for reasons of friendship or on a reciprocal basis, dividing the insurance in small parcels so that no agent gets enough commission to justify giving real service. Mr. Allen pointed out that the assured, in no other branch of his business, operates in the same slip shod way, and yet insurance is as vital as any of his transactions. General control by one agent does not necessarily mean that this agent should write all the business, but he should be responsible.

Desire to Serve

The agent who has control should have a desire to serve and a thorough knowledge of the business.

Mr. Allen illustrated, from his own experience, what one agent can accomplish if he is responsible for the entire line. The Morrison agency took over the account of a manufacturer who had two plants, one of which was owned and the other rented. They were found to be carrying about \$200,000 of fire and tornado, separate insurance being maintained at each location. The fire insurance was being placed with about every agency in town. The main plant was written under a specific form with 90 percent coinsurance and plant 2, being a sprinklered risk, was written blanket with 90 percent coinsurance. None of the policies was concurrent. Tornado was written blanket in each location with 90 percent coinsurance, but one or two of the policies covered specific on building and contents with 90 percent coinsurance.

U. & O. in the amount of \$50,000 covered separate at each plant.

Operations Interdependent

The Morrison agency investigated and found operations were interdependent, that processes started in one plant were completed in the other. To avoid the chance of an adverse operation of the coinsurance clause in the event of serious loss in one of the plants, the agency drew up a blanket form, covering entire operations, placing the fire and tornado thereunder.

This necessitated the filing of a statement of values and publication of an average rate.

Use and occupancy was blanketed over the entire operations rather than over individual plants.

The agency secured some surveys, made a check for possible improvement and thereby reduced the fire hazard and the insurance rate.

At the time the Morrison agency took over the line, the manufacturers were carrying compensation and manufacturer's public liability only. Thereupon they were covered for non-ownership public liability and elevator liability, as well as switch track liability. Although they manufactured an article, which in the event of accidental discharge of water, would have produced a heavy loss, they carried no sprinkler leakage and this was rectified.

After the coverage has been properly arranged, it is important to maintain the service. The Morrison agency periodically checks up the insurance program, inspects the property for any changes or additions and checks the rates for possible improvement in coverage or justified reduction in rates.

R. Means Davis, secretary of the South Carolina of Columbia, S. C., is dead. His successor will be named at the annual meeting, Feb. 21.

Special Mortgagee Deal Is Denounced by Company Man

AGENTS' PROTEST JUSTIFIED

America Fore Field Man Tells Indiana People Arrangements Infringe Rights of Farm Agent

Farm agents, who for some time have been protesting special deals between fire companies and large mortgage institutions, such as life insurance companies, found support in their position from C. A. Cook, Indiana farm state agent for the America Fore companies, in his address during Indiana Insurance Day.

The farm agent, he said, has the right to demand that no fire company shall enter into a contract with a mortgagee to insure farm property without such business being done through a local agent where the risk is located. Where a life company is the mortgagee it is an unfriendly act to the American agency system on the part of such life company to become a party to such an agreement. The life agent should join hands with the fire agent in demanding that this practice be ended.

The farm agent has a right to view with alarm any practice which will render void all the sacrifices that he has made to put the farm business on its feet. He knows that companies that do a mail order business under contract with mortgagees are sure to injure the farm business as a whole by making it as a class unprofitable.

Recording Business

Another practice detrimental to the farm agent, Mr. Cook said, is the buying of recording business by taking an agent's few and generally undesirable farm risks. The loss ratio on farm business bought in that way is far too high ever to allow a profit on the recording business to cover the loss on the farm. It is a case of robbing Peter to pay Paul. An agent who expects to write only a few farm risks, and those mostly owned by city patrons, should place that business with some trained farm agent and it should be written in some regular farm company.

Mr. Cook expressed the belief the various loan agencies of the government are laying the ground work for future

Indiana Chief



C. O. BRAY

C. O. Bray of Indianapolis, special agent of the Hartford Fire, presided this week over the annual meeting of the Indiana Insurance Federation, he being the head of the various activities centering about Indiana Insurance Day.

trouble for farm business by making excessive loans and demanding more insurance on the mortgaged property than can safely be written.

Another problem comes from the increasing number of small claims under the tornado policy. These claims are adjusted by the local agent. A solution might be for the farm companies as a group to employ adjusters by districts, one adjuster to handle every loss in his field for all companies. This would relieve the agents and enable them to put in more time on production. The adjuster might also be assigned to inspection work.

Mr. Cook expressed optimism as to the future of the farm business. The time is ripe for farm agents to concentrate in good agricultural sections. He advised the agent to represent one good farm writing company and confine his writings to that company.

Indiana Day Revived with Enthusiasm in Big Meet

(CONTINUED FROM PAGE 12)

Indiana. "In Indiana," he said, "we have a population of 3,238,000 and in 1933 we licensed over 18,000 agents." He said many appointees are nothing more than "curbstone gypsies" and would not be a credit to any business. He wants a good qualification law.

Indiana Professor Heard

The afternoon session opened with R. C. Griswold, vice-president of the federation, presiding. Prof. Fred V. Chew, of Indiana University, first speaker, discussed "Recent Developments and Insurance," stressing some of the trends which it is most important insurance representatives should be alert to combat, particularly in the direction of social insurance inroads on part of government and state. He expressed faith however, in the continuing functioning of the insurance business in all its branches.

Discussion of the insurance code by Allan I. Wolff, president National Association of Insurance Agents, was followed with close attention.

The program closed with an open forum session. Co-chairmen of this session were Stuart A. Bishop, Indiana branch manager Travelers, H. J. Gescheidler, manager Hammond National Company, Hammond, Ind., and Albert J. Wohlgemuth, vice-president and treasurer Rough Notes Company. "Agency failure," Mr. Bishop said, "is due primarily to loss of renewal business and lack of new business, unwise extension of credit to policyholders, and too much overhead for the volume of business."

Shows Agency Weakness

Mr. Wohlgemuth followed with a crayon demonstration of the importance of so maintaining the books of an agency that it is possible at any time to know the financial status of its business. He illustrated a month's business of a typical agency, showing by the comparisons obtained, a condition was revealed which, permitted to continue, would mean ruin for the business and a receivership or a committee management. He also emphasized the value of such information as a means of comparison to show growth or loss of business volume.

Mr. Gescheidler discussed collection methods which have produced excellent results for his agency. "There never was a better time than now," he declared, "for local agents to adopt a firm attitude on collections and continue to follow it." In selling a policy it is important to get cash or a definite promise as to time of payment, he stated. "We solicit premium collections just as hard as we do business," he said. In the open discussion which followed a number participated, bringing out practical points.

New Officers Elected

The annual meeting of the Insurance Federation of Indiana was the closing

session of the day. Reports were read by Secretary J. G. Wood and the following officers were elected:

President, R. C. Griswold, manager Aetna Casualty, Indianapolis.

Vice-Presidents, H. A. Luckey, manager Life of Virginia, Indianapolis; Homer L. Rogers, manager Equitable Life of New York, Indianapolis; John E. Messick, Foster & Messick, managers, U. S. F. & G., Indianapolis; Ralph G. Hastings, local agent, Washington; W. J. Henshaw, state agent St. Paul F. & M., Indianapolis; Fred C. Richardt, Richardt agency, Evansville; Ward H. Hackleman, general agent, Massachusetts Mutual Life, Indianapolis.

Treasurer, A. L. Riggsbee, manager insurance department, Fletcher Trust Company, Indianapolis.

Secretary-Counsel, J. G. Wood, attorney, Indianapolis.

Among those who attended Indiana Insurance Day on Tuesday of this week from outside the state, including home office and department representatives, were C. H. Smith, H. W. Donnan, J. W. Fischer and R. T. Frazier, of the Hartford Fire office in Chicago; Spencer Welton and A. T. McCarthy, Massachusetts Bonding; C. J. Lingefelder and A. J. Petrie, of the America Fore's Chicago office; R. N. Hiatt, Central Manufacturers Mutual, Van Wert, O.; C. D. Lasher, Home, Chicago; J. M. Clark, New York Underwriters, Chicago; Frank M. Chandler, Chicago; Ed. F. Driscoll and E. A. Luther, National Surety, New York; H. G. Eason, Ocean Accident, Chicago; C. L. Morris and C. R. Grimes, Illinois National Casualty, Springfield, Ill.; John Keegin, North America, Chicago; R. O. Hudro, Aetna Fire, Chicago.

Two Companies Will Merge

Stockholders of the Knickerbocker and Cosmopolitan of New York have approved the recommendation of the directors that the two companies merge as the Knickerbocker with \$1,000,000 capital, consisting of 200,000 shares at \$5 each. The company will operate under the Corroon & Reynolds' management.

To Introduce Kentucky Bills

LOUISVILLE, Jan. 31.—After numerous conferences of members of the legislative committee, of the Kentucky Association of Insurance Agents, in which the legislative committee of the Louisville Board has also cooperated, two bills have been drafted, and are virtually ready for introduction some time this week.

One is an agency bill, similar in some respects to an agency qualification act, although not so termed, and will give the Kentucky insurance department greater power in the regulation of agency matters. The other is one to tighten the present laws relative to the general subject of discrimination which in present form are inadequate, more especially in automobile insurance. It is understood that the draft of the agency regulation bill is not opposed in any way by the legal division of the National Board.

Honor Royal Exchange Chief

The 20th anniversary of Vivian Hugh Smith's appointment as governor of the Royal Exchange and his 40th year as a director was celebrated in London Jan. 24. The gift to Governor Smith from the Board was a Charles II tankard while the home and foreign staff presented him with two silver flagons and a silver inkstand, the presentations being made by the oldest staff member. The present charter of the Royal Exchange was granted in 1720, prior to which the corporation operated for two years under a society charter.

Change in Law Firm

Lee, Levene, Verreau & McAvoy, Binghamton, N. Y., insurance attorneys, have changed the name of the firm to Lee, Levene & McAvoy, E. F. Verreau retiring.

Illinois Insurance Put Under Control

(CONTINUED FROM PAGE 3)

interests of directors and the fact there were not representative boards. The three large Illinois companies that failed were controlled by a few men, other directors having little or no voice. He said this is the trouble with most of the companies in straits. The new Illinois investment law, he believes, will permit him to straighten out Illinois insurance conditions in another year.

Illinois people have greater confidence in insurance supervision, he said. The department receives from 500 to 600 letters a day from the public.

Another task being tackled is to survey the \$40,000,000 of securities in the department's vault. It is not known whether interest, taxes, etc., have been paid on property covered by mortgages which are held as security.

Mr. Palmer said a number of things have been done which were not written in the law. "I have been called a czar or dictator," he said. "I do not mind that. All I am trying to do is to put Illinois on the insurance map, to play the game fairly, to get proper legislation. We are letting the people know that there is an insurance department at Springfield to serve them, which has the power to correct conditions if any correction is needed." He has had support from Governor Horner, being given carte blanche, with no interference in appointments. The governor is unqualifiedly behind Mr. Palmer.

After his talk Mr. Palmer was "put on the spot" and answered many questions. The Illinois brokers for a number of years have been eager to secure

legislation forcing the part-time producer out of business. Mr. Palmer said it was futile to attempt this; it would be unconstitutional. The best that can be done is to have qualification requirements that a man be decent, honest, that he not misrepresent, that he pay his bills and represent companies that are licensed.

F. P. Lavin, chairman of the brokers' board and past president, brought up the question of written examinations for brokers' licenses. Mr. Palmer said he frankly was not for such a method. He felt similarly about the project for an examining board of brokers who, he said, might in some instances show favoritism.

There was a question as to an inquiry sent out by Mr. Palmer to companies regarding the writing of fictitious automobile fleets. He said this is not a dead issue. The department is working on it, but nothing definite has developed. He expressed belief there is no need for additional legislation to regulate the practice, and is opposed to a rate regulatory law. He thinks the object can be gained under the present laws.

Youmans to North British to Solicit Brokerage Lines

NEW YORK, Jan. 31.—H. C. Youmans will as of Feb. 1 discontinue the binding agency he has conducted here for some time, and will become associated with the North British group, soliciting for it country-wide brokerage business. He will operate from 150 William street, the headquarters of the North British companies. In his 20 years' contact with brokers, Mr. Youmans developed a wide following among producers controlling lines in all sections of the land.

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The Human Workers—The Working Dollars

The insurance business will not be nationalized, socialized or unduly restricted by the federal government, if those responsible for its management recognize their duty to the people identified with it. In the past too much thought has been given to investment earnings and the welfare of stockholders. During the next few generations or so at least, invested capital will not earn what it has in the past. In every department of human activity, the working dollars are put alongside of the human workers. Each dollar is entitled to a certain percentage of earnings because it is a worker even if impersonal. The dollars work as well as the people in a business. At times the profits are larger and therefore the dollars may be entitled to a larger return but that should not be at the expense of the human workers. The working dollars and the personal workers should have their proportionate share.

When we are dealing with the workers we must recognize human beings. The dollars are impersonal. The workers are personal. The concentration of company organizations in order to bring about economy, efficiency and unity has gone ahead at the expense of the human beings in the business. We have been very exacting so far as actual efficacy is concerned. We have seen by combining or aligning one company with a group that a certain amount of money can be saved with less workers. There has been an effort therefore to improve the condition of stockholders at the expense of human beings. Companies that were going along in very good shape, paying reasonable dividends, having a contented corps of home office people, field men and agents have been purchased by other companies and their staff organizations practically wrecked. This process has been going on from year to year. We have had departments in various sections taken to headquarters so that there could be greater unity and economy. The result is today that we have hundreds of capable insurance workers that desire to labor, who are perfectly worthy that cannot find positions in the business and are compelled to resort to all sorts of

devices to make a living. They are catapulted out of their regular setting where they have been trained because the earnings of the dollar could be improved. Regardless of how we may feel individually about this question, the truth of the matter is that the years in the immediate future will bring about a leveling of incomes. Not only will invested capital have to receive less in return but salaries in the higher brackets will have to be modified. There must be more people put to work in insurance through reduction in working hours, greater division of labor or extension of activities. We have lost sight of the human phases and have followed too much the chase of the dollar.

Today those responsible for company management fret over the expense ratio. That constitutes their major problem. They may have removed all unnecessary excrescences, put into effect all desirable economies and pruned outlay here and there. Yet the pressure comes for still greater reduction—not from the human workers but from the financial end of the company. The human workers know all has been done that can reasonably be expected. The only alternative then is to reduce salaries again or discharge other workers. And it is just at this point that insurance may lack vision and ring the death knell of its own independence. We may regard "social justice" as a slogan of fanatics, theorists and extremists. Today it becomes a living, practical question, the very heart of the "New Deal."

It was announced some days ago that the FIREMAN'S FUND had paid all its employes the country over, one month's salary where they had been connected with the company a year or more. Many were astounded at this action. It is estimated that it cost the FIREMAN'S FUND from \$200,000 to \$250,000. There has not been a truer revelation of the "New Deal" and a finer vision of what will have to be the policy of companies in the future than was manifested by this gesture of the San Francisco company. If a company has made profit, the dollar is entitled to its share, the surplus

PERSONAL SIDE OF BUSINESS

Edward L. Watson, president of E. L. Watson, Inc., died at Providence after a year's illness. He was at one time an official of the Providence Washington and organized his agency in 1905. He was also president and treasurer of the Providence Mutual Fire, and a director of the Franklin Mutual Fire. He was a former president of the Insurance Association of Providence.

Mr. Watson joined the Providence Washington as a clerk in 1881. Four years later he became special agent in New York state and returned to the home office in 1889 as secretary. He was made second vice-president in 1902.

John Hosking, head office general agent of the Century of Scotland, left New York Jan. 26 on a two weeks' trip through the south, intending to visit field representatives and general agents of his company in Alabama, Georgia, Florida and Louisiana.

Thomas McGee, head of the agency of Thomas McGee & Sons, Kansas City, Mo., celebrated his 75th birthday anniversary Sunday. Sixteen of his 17 grandchildren attended the celebration, the 17th being out of the city attending school. Among the 16 were the famous "Burke triplets," the children of Mr. McGee's daughter, Mrs. J. J. Burke. There were three daughters and three sons present with their father on the famous day. Mr. McGee was born Jan. 28, 1859, at Brighton, Mass., and went to Kansas City about 54 years ago.

Elmer Ogren of the F. W. Van Druff agency, Council Bluffs, Ia., received the distinguished service gold key of the Council Bluffs junior chamber of commerce. He has been active in Boy Scout work for many years.

Former officials, field men and employes of the Shawnee Fire of Topeka, which was taken over by the National Fire of Hartford, have a tenacity and possess the element of development and growth as can be witnessed by a number of those associated with the company being in responsible positions today.

J. W. Going, who was secretary and manager of the Shawnee, is located at Topeka, being special representative of the Western Fire and Western Casualty & Surety of Fort Scott. H. T. Cartridge, who was assistant secretary, is assistant United States manager of the Royal-L. & L. & G. group. W. D. Goodwin is an examiner for the National Fire of Hartford western department. G. J. Giersberg is state agent of the London Assurance. R. C.

should be strengthened but at the same time those that have been responsible for the profit should receive their reward. That does not comprise the higher officials alone but the humblest worker in the ranks. Insurance must take its part in giving labor to those that desire to work and who are worthy. If it does not, then in our opinion, the business eventually will be nationalized.

Our country will not enjoy prosperity with its great army of unemployed. People must be put to work and places must be made for them. Insurance can not expect other enterprises to take up all the slack. It must step in and do its share. It has contributed too much already to unemployment, caught as it was in the frenzied age of financial gain and greed. Let us all now face the east, see the rising star and give proper recognition to the human side of business.

Hosmer is vice-president and manager of the Excelsior Fire of Syracuse, N. Y. R. W. White is secretary of a large agency at Minneapolis. Frank A. Scott is special agent of the National of Hartford in Kansas. W. S. Eberle is a general agent at Oklahoma City. At the time of his death, C. M. Hill was general adjuster for the National of Hartford. The late Guy H. Fuller of Oklahoma City was head of the Fuller Adjustment Company. All these were on the payroll of the old Shawnee.

S. W. Nelson, special agent of the North British & Mercantile fleet in Illinois, is ill at his home in Downers Grove and will probably be away from business for a month or six weeks. During his absence Special Agent G. H. Kersten, who has been associated with the fleet for a number of years, and is well acquainted in the state, will assist State Agent E. W. Walker.

C. E. Springer, 65, assistant manager of the Kentucky Actuarial Bureau, died Monday in a Louisville hospital, where he had been ill for about two weeks.

He suffered a knee injury last summer and recently was ordered to the hospital for a complete rest of the leg, but apparently was otherwise in excellent condition. On Jan. 20 he had a heart attack and on Jan. 22 he suffered a stroke on the left side, but appeared to be improving, and said Sunday he was feeling much better.

He went to Louisville from the Ohio Inspection Bureau, Columbus, in 1908 as manager of the Kentucky Inspection Bureau. In 1912 when the Kentucky Actuarial Bureau was formed Clem Wheeler became manager and Mr. Springer assistant manager.

A. E. Krebs, who had been auditor of the St. Paul Fire & Marine for many years, died Jan. 21 and was buried in St. Paul. He was born in Germany in May, 1863, and has been continuously in the employ of the St. Paul Fire & Marine since December, 1899, more than 34 years. He retired on account of failing health in January, 1932.

W. B. Flickinger, assistant western manager of the North America, is leaving soon with Mrs. Flickinger to spend several weeks in St. Petersburg, Fla.

H. E. Seeds, former state agent of the Commercial Union, who was placed on the retired list in 1925, died at his home in Abilene, Kan. He joined the Commercial Union 36 years ago in the northwestern department at Denver.

Elof Peterson, retired farm manager for the Fidelity-Phenix, who suffered a heart attack while visiting a friend in the Presbyterian hospital, Chicago, and was confined there himself, has now been removed to his home in Oak Park, Ill.

H. A. Presler of Fargo, N. D., state agent Springfield Fire & Marine, and Mrs. Presler celebrated Sunday their 25th wedding anniversary.

Many Small Policies Being Reinstated Today

A great number of small household contents and dwelling house policies are being sold these days, according to widespread reports from agents. Much of this business represents a reinstatement of lines that had been dropped two or three years ago. Many of those who are reinstating these small policies are CWA workers.

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SAN FRANCISCO — DALLAS — MONTREAL

STRENGTH SERVICE CHARACTER

(STATEMENTS AS OF DECEMBER 31, 1933)

	GROSS ASSETS*	RESERVE FOR UNEARNED PREMIUMS	RESERVE FOR LOSSES AND ALL OTHER CLAIMS	CONTINGENCY RESERVE†	CASH CAPITAL	SURPLUS FOR POLICYHOLDERS
Continental.....	\$70,633,525	\$20,619,095	\$6,532,410	\$6,272,677	\$4,873,990	\$37,209,343
Fidelity-Phenix.....	55,531,070	16,491,942	5,474,048	5,871,467	3,464,825	27,693,613
Niagara.....	19,344,044	5,449,146	1,458,435	1,071,473	2,000,000	11,364,990
American Eagle.....	11,471,933	3,433,816	988,247	235,019	1,000,000	6,814,851
First American.....	3,641,951	841,310	193,276	170,322	1,000,000	2,437,043
Maryland.....	2,408,522	335,231	84,152	199,031	1,000,000	1,790,108
Fidelity & Casualty.....	33,798,363	10,500,392	16,142,752	2,902,615	2,250,000	4,252,604

* Bond and Stock valuations on basis approved by National Convention of Insurance Commissioners.

† Contingency Reserve, representing difference between value carried in assets and actual December 31, 1933 market quotations on all bonds and stocks owned.

Again, America Fore statements show the strength and stability of The America Fore Group. They also reflect careful management and intelligent underwriting - which justifies the confidence shown in The America Fore Companies by the agents and brokers who have favored us with their business.

Chairman of the Boards.

FIRE INSURANCE NEWS BY STATES

MIDDLE WESTERN STATES

Heavy Loss in Three Fires

Total of \$101,000 on Contents and 70 Percent on \$450,000 Building Cover at Anderson, Ind.

Three large fire losses in Illinois and Indiana involve total insured loss conservatively estimated at \$500,000. The largest was sustained in the main business block of Anderson, Ind., where the Fair department store and adjoining shops were gutted. The estimated loss to building and contents on the department store is well over \$300,000, the contents loss being reported by adjusters of the Western Adjustment as total, and the loss on building 70 percent.

There was \$450,000 fire insurance carried on building and \$101,000 on contents. The companies on the building risk were: Phoenix of London, \$35,000; Providence Washington, \$25,000; Caledonian-American, \$10,000; Caledonian, \$20,000; Home of New York, \$25,000; North America, \$25,000; Atlas, \$50,000; Fireman's Fund, \$50,000; Norwich Union, \$25,000; Hartford, \$65,000, and State Assurance, \$50,000. The remaining \$70,000 was carried in companies not listed. Names of companies on the contents risk are not disclosed.

Barely Prevent Conflagration

The Meyer-Kiser Bank was trustee and the Citizens Trust Company lessee of the building. Insufficient water supply and high winds contributed greatly to the loss, together with temperature of 6 degrees below zero. A large section of the business district was threatened, but combined fire departments of Anderson, Muncie and Elwood confined the fire to the one block.

An unofficial estimate of \$150,000 loss was made in the fire in the Pabst Blue Ribbon brewery at Peoria Heights, Ill. Both this and the Fair department store structure were supposed to be highly fire resistive, the brewery being a new building.

A hotel and general store at Georgetown, Ill., was burned with loss officially set at \$100,000.

Wisconsin Seeks Some Data

Fire Prevention Division Sends Out Questionnaire as to Rural Territory Help

Superintendent J. E. Florin of the fire prevention division of the Wisconsin industrial commission has sent a questionnaire on outside fire protection to the chiefs of the various fire departments in the state. Information is sought as to the service rendered in rural territory not having fire departments. Among the questions to be answered are: What arrangements a department has to give outside fire protection; description of the apparatus and small equipment taken on outside fire calls; how service charge is determined; how home territory is protected while some firemen and apparatus respond to outside fire calls. Mr. Florin explains that a CWA worker will compile and tabulate the replies received from the fire chiefs. He points out that a compilation of the replies from all departments will furnish valuable information, not now available, as to the extent which outside service is given, the means employed, the financing of such service, and in a general way the results obtained.

Balance Situation in Ohio

Current Accounts Are Reported by Field Men to Be in Good Shape

COLUMBUS, O., Jan. 31.—Ohio field men report that the current balances among local agents are being very well paid and the year closed with an excellent record. The trouble still rests with frozen balances. Many companies have charged off accounts that they feel are not worth 10 cents on the dollar. However, in every possible case arrangements are made with the local agency to gradually liquidate the indebtedness. Many of the agents are doing this. Companies are watching their current balances very carefully and not allowing them to get over three months old. As soon as they reach the danger point, action is taken. While there is no material upturn in business, the local offices in the state have revamped themselves and readjusted their affairs so that they are carrying on their business in a much more acceptable way.

Detroit Officers Reelected

H. L. Newnan Continues as President of Agents' Association—Nearly 100 at Banquet

DETROIT, Jan. 31.—H. L. Newnan, vice-president Detroit Insurance Agency, was reelected president of the Detroit Association of Insurance Agents at the first meeting of the new directorate. Dean W. Howland of Homer Warren & Co. was reelected vice-president and R. J. Byrnes, Johnson & Higgins, treasurer. T. J. Hennes was reelected secretary for the 17th consecutive term.

Nearly 100 agents and their guests, fire and casualty field men attended the annual banquet and election of directors of the Detroit association.

George W. Carter, chairman of the conference committee, reported on the insurance code activities at the Chicago convention. C. L. Raymond, P. B. Bland, Mr. Carter, J. Alfred Grow, W. A. Doyle and A. G. Crandall, all past presidents, were introduced. J. W. Mundus, executive vice-president Ann Arbor Agency, spoke on the regional meeting of the Michigan Association of Insurance Agents in his city.

Harry Toy, prosecuting attorney of Wayne county, spoke on "The Cost of Crime," painting a graphic picture of the tremendous economic loss sustained each year by crime of all kinds in the United States.

Representative Joseph Murphy reported he is doing everything possible to promote the proposed state law making the theft of automobile accessories a felony punishable by a maximum sentence of 90 days.

New directors are: W. S. Halla, Kelly, Halla, Peacock; J. C. Townsend, Michigan Insurance Agency; D. F. Brodrick, Managing Underwriters Corporation; John Cole, Cole-Mason Agency; C. W. Wilson, Wilson Agency, and A. I. Dreifus, Dreifus Agency.

HOLC Manager Speaks at Ann Arbor Regional Rally

John F. Hamilton, Michigan manager for the Home Owners Loan Corporation, appeared before a regional meeting of about 100 agents at Ann Arbor, Mich., to discuss the insurance

procedure of his organization. The Michigan agents in the past had been complaining about the way insurance on properties on which the HOLC made loans had been handled. Apparently, some of their objections were justified and certain practices have been corrected.

Mr. Hamilton said the HOLC had not received proper cooperation from Detroit agents, although the agents in other parts of the state have given better service. In Detroit, he said, thousands of loans are being held up because of failure to locate agents, missing policies, etc. He asked the agents to get in touch with him personally in case of any difficulty.

There was considerable discussion of the code, led by J. W. Mundus of Ann Arbor. Another speaker was Clyde B. Smith, former president of the National Association of Insurance Agents.

The mid-year meeting of the Michigan agents is to be held in Lansing, probably Feb. 18.

Benton Harbor-St. Joseph Elect

Dan Mather of St. Joseph was elected president of the Benton Harbor-St. Joseph Insurance Exchange at the annual meeting. Harry Lynch, Benton Harbor, was elected vice-president; W. L. Carpp, Benton Harbor, treasurer, and C. A. Fellows, Benton Harbor, secretary. P. H. Lovell and George Humphrey, Benton Harbor, and B. G. Starke St. Joseph, were elected to the executive committee.

Educational Sessions Planned

In February the Salina, Kan., Insurance Board will conduct a school for its members. The first session will be conducted Feb. 1, followed by classes Feb. 8, 15, and 22.

At the first session A. A. Steinmetz, Salina, manager Western Adjustment, will discuss the first insurance contract. Feb. 8, W. S. Whitford, Topeka, state agent, Springfield F. & M., will talk on forms.

Bonds will be the subject handled by W. R. Evans, Kansas City, Mo., manager American Surety, Feb. 15.

H. W. Hoffman, Lawrence, Kan., Charlton Insurance Agency, will speak on automobile liability at the last meeting.

Van Horn Talks on Codes

COLUMBUS, O., Jan. 31.—Harry Van Horn, manager of the Columbus Better Business Bureau, who has been active in drafting of codes in Washington the past few months, addressed the Insurance Society of Columbus at its monthly meeting. The proposed insurance code was considered.

Regional Meeting at Marion, O.

Fifty fire agents attended a regional meeting in Marion, O., under the auspices of the Ohio Association of Insurance Agents. Speakers were Hugh L. Meek, Columbus, president; F. P. O'Connor, Lima, vice-president, and Senator John A. Lloyd, Portsmouth, secretary.

F. C. McElroy's Golden Jubilee

F. C. McElroy, one of the leading agents at Columbus, O., and head of the McElroy Company, was given a dinner last Friday night in commemoration of his 50th anniversary in the business. He is widely known and is prominent in business circles in his city. Field men of companies in his agency, some of the head office officials and others were present to do him honor.

His associates in the business are Austin McElroy and Harry T. Minister. Among those attending were A. D. Yeaton, general agent New Hampshire, Chicago, C. H. Smith, Chicago, associate general agent Hartford Fire, and F. C. Gustetter, secretary Equitable

Toledo Speaker



CHAUNCEY O. RANSOM

C. O. Ransom, president of the Cleveland Insurance Board, will be the chief speaker at the annual banquet of the Toledo Board Feb. 9. He is national councillor of the Ohio Association of Insurance Agents.

Mr. Ransom's subject will be "The Modern Agent at Work." Other speakers will be Hugh L. Meek of Columbus and John A. Lloyd of that city, president and secretary respectively of the Ohio Association of Insurance Agents. The toastmaster will be H. S. Boynton, the new president of the Toledo Association of Insurance Agents. At the annual election, in addition to Mr. Boynton as president, Fred W. Smith was elected first vice-president, Paul B. Shawen, second vice-president. N. W. Reed is secretary and treasurer. The directors are Walter Kridler, Harvey Martin, W. E. Schmitt and B. S. Picton.

Fire & Marine. The latter company has been represented in the McElroy agency more than 50 years.

Agency's Deficit Over \$200,000

ST. LOUIS, Jan. 31.—The total deficit of the Tombridge Agency, operated by R. J., Cecilia and Bertha Tombridge, has been placed at \$211,425. Out of \$215,555 assets shown on the agency's books; there is only about \$15,000 on which there is hope of realizing anything. The creditors' committee has authorized the Rengel-Weber Realty Company to wind up the agency's affairs.

Enck & Linnell Get Century

Enck & Linnell of Minneapolis have been given the Minnesota general agency of the Century of Scotland.

Membership Meet at Flint

FLINT, MICH., Jan. 31.—More than 50 agents, members of the Flint Association of Insurance Agents and visiting agents from the Flint territory, attended a membership meeting here sponsored by the Flint board. Clyde B. Smith, Lansing, former president of the National Association of Insurance Agents, spoke on the advantages of organization through the local boards, state and National associations. He traced the history of the National association briefly, telling some of its outstanding achievements and the obvious benefits it has brought its local membership. It was announced that five

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FIREMEN'S INSURANCE COMPANY OF NEWARK, NEW JERSEY CAPITAL

\$ 9,397,690.00

Organized 1855

NEAL BASSETT, Chairman of Board

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THE GIRARD FIRE AND MARINE INSURANCE COMPANY

\$ 1,000,000.00

Organized 1853

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THE MECHANICS INSURANCE COMPANY OF PHILADELPHIA

\$ 600,000.00

Organized 1854

NEAL BASSETT, President

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 W. E. WOLLAEGER, Vice Pres. HERMAN AMBOS, Vice Pres. E. G. POTTER, 2d V. Pres. W. W. POTTER, 2d V. Pres.
 WALTER J. SCHMIDT, 2d V. Pres. T. LEE TRIMBLE, 2d V. Pres. OLIN BROOKS, 2d V. Pres.

NATIONAL-BEN FRANKLIN FIRE INSURANCE CO. OF PITTSBURGH, PA.

\$ 1,000,000.00

Organized 1866

NEAL BASSETT, President

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Organized 1871

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 WALTER J. SCHMIDT, 2d V. Pres. T. LEE TRIMBLE, 2d V. Pres. OLIN BROOKS, 2d V. Pres.

THE CONCORDIA FIRE INSURANCE COMPANY OF MILWAUKEE

\$ 1,000,000.00

Organized 1870

CHARLES L. JACKMAN, President

JOHN R. COONEY, Vice Pres. ARCHIBALD KEMP, Vice Pres. HERBERT A. CLARK, Vice Pres. H. R. M. SMITH, Vice Pres.
 W. E. WOLLAEGER, Vice Pres. HERMAN AMBOS, Vice Pres. E. G. POTTER, 2d V. Pres. W. W. POTTER, 2d V. Pres.
 WALTER J. SCHMIDT, 2d V. Pres. T. LEE TRIMBLE, 2d V. Pres. OLIN BROOKS, 2d V. Pres.

THE CAPITAL FIRE INSURANCE COMPANY

\$ 300,000.00

Organized 1886

CHARLES L. JACKMAN, President NEAL BASSETT, Vice President

UNDERWRITERS FIRE INSURANCE CO. OF CONCORD, N. H.

\$ 100,000.00

Organized 1905

NEAL BASSETT, President

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 W. E. WOLLAEGER, Vice Pres. HERMAN AMBOS, Vice Pres. E. G. POTTER, 2d V. Pres. W. W. POTTER, 2d V. Pres.
 WALTER J. SCHMIDT, 2d V. Pres. T. LEE TRIMBLE, 2d V. Pres. OLIN BROOKS, 2d V. Pres.

MILWAUKEE MECHANICS' INSURANCE COMPANY

\$ 2,000,000.00

Organized 1852

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THE METROPOLITAN CASUALTY INSURANCE COMPANY

\$ 1,000,000.00

Organized 1874

NEAL BASSETT, Chairman of Board

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COMMERCIAL CASUALTY INSURANCE COMPANY

\$ 1,000,000.00

Organized 1909

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H. R. M. SMITH, Vice President
JAMES SMITH, Secretary

CANADIAN DEPARTMENT
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EASTERN DEPARTMENT
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NEWARK, NEW JERSEY

PACIFIC DEPARTMENT
220 Bush Street,
San Francisco, California
W. W. & E. G. POTTER, 2nd Vice Presidents
FRED W. SULLIVAN, Secretary

SOUTH-WESTERN DEPARTMENT
912 Commerce St., Dallas, Texas
OLIN BROOKS, 2d Vice President
BEN LEE BOYNTON, Res. Vice President
A. C. MEEKER, Secretary

LOYAL TO PRINCIPLE - TO LOYAL AGENTS, LOYAL

new members had been signed up by the Flint board. Agents were present from Lapeer, Flushing, Fenton, Davison and Swartz Creek. There was considerable comment on the agents' code, most of it extremely favorable. The agents also reported a distinct upturn in business in the Flint area. C. W. Dow, president of the Flint board, presided.

Wedock Special Examiner

George W. Wedock, II, of the Wedock agency, Saginaw, Mich., has been appointed temporarily as special examiner of the Michigan department and will be occupied with that work for about 10 weeks. He has had much previous experience with companies in Hartford, Pittsburgh and Chicago.

Gets Merchants & Manufacturers

The Inter-State Agency of Indianapolis, of which George L. Ramey is president and manager, has been appointed general agent of the Merchants & Manufacturers for Indiana. This agency is also general agent of the Knickerbocker, another Corroon & Reynolds company.

Service Medals Presented

Twenty-year of service medals were given by the Continental at a luncheon party in Indianapolis Monday to Ralph Bundy, Zionsville, Ind., and Mrs. C. C. Lowe, Greensburg, and to Warren P. Fogle, LaPorte, by the American Eagle. C. J. Lingenfelder, agency superintendent, and H. J. Petrie, examiner, were present from the Chicago office and stayed over for Indiana Insurance Day.

Liscomb Talks on Code

ST. PAUL, Jan. 31.—The Insurance Exchange of St. Paul and the Minneapolis Underwriters Association held a joint luncheon meeting today to hear the new insurance code explained.

C. F. Liscomb, Duluth, member of the executive committee of the National Association of Insurance Agents, who assisted in the original draft of the proposed code, explained the merits of the code and a general discussion followed.

The meeting was arranged by President J. P. McGee of the St. Paul Exchange and R. J. Lilly, president Minnesota Association of Insurance Agents.

Wisconsin Agents Favor Code

MILWAUKEE, Jan. 31.—At a meeting of the executive committee of the Wisconsin Association of Insurance Agents, the proposed national insurance code was discussed. The committee went on record as being wholly in accord with the action of the National association in filing the code with the national recovery administration in Washington, and also voted to express its appreciation to the national organization for its untiring efforts in connection with the preparation and filing of the

Insurance Woman's Son Becomes a Real Hero

Donald Mundt, 9 years old, son of Mrs. Doris Mundt, secretary in the R. S. Andrews Insurance Agency of Sioux City, Ia., has proved to be a real hero. John Hanson, a 6-year-old boy, followed two older boys, skating on the creek used by the city for its ice supply. He slipped in an open hole. Donald Mundt grabbed him and tried to pull him out, but the child floated back under the ice. Donald then found a hook left by the ice men and pulled the Hanson boy to safety. Mrs. Mundt is active in the affairs of the Sioux City Insurance Women's Association, being general chairman of the first social party the organization is to give Feb. 6.

eral Inspection bureau at Minneapolis, and Stanford Herberg, an official of the bureau, will address the Cloquet Commercial Club, Feb. 7.

R. A. Napier on Long Jaunt

R. A. Napier, head of the R. A. Napier & So. agency, Chicago, with Mrs. Napier has started on a four months' European jaunt. He will go on a Mediterranean cruise and visit the principal countries on the continent.

To Appoint Successor to Kelley

The American National of Columbus, O., has not yet appointed a state agent to succeed E. L. Kelley of Detroit, who becomes an agency superintendent of the Great American at its head office. In due season a successor will be appointed. The American National is owned by the Great American.

Hold Mutuals Not Barred

An opinion by Gilbert Lamb, assistant attorney general of Missouri, holds that the use of the word "mutual" in the name of an insurance company or even the fact that an insurance company is organized under the mutual insurance laws of Missouri does not mean that schools are barred from insuring in such companies.

Swadener Elected President

The South Bend-Mishawaka (Ind.) Insurance Exchange at its annual meeting elected Dean Swadener of Mishawaka president succeeding E. D. Happ of South Bend. Other officers are: C. E. Perkins, South Bend, vice-president; Regis Richards, Mishawaka, secretary-treasurer; J. H. Lloyd, E. D. Happ, Alexis Coquillard and Marvin Mogle, directors.

R. B. Jolley Gets New Company

R. B. Jolley Company of Minneapolis has been appointed general agent of the Resolute Underwriters for Minnesota. This policy is a joint one guaranteed by the Rhode Island and Merchants Fire of Providence. The Jolley Company represents also the Columbia Fire of Dayton and the United Mutual Life of Indianapolis. Mr. Jolley has been in the general agency business since 1931 in Minneapolis.

States with Toledo Firm

Falconer, Dunbar & Picton of Toledo announce the appointment of R. R. States as office manager. He has had a number of years of experience in home office, general and special agency work. Formerly he was connected with the National Union Fire head office at Pittsburgh after serving for some time as office manager and special agent for the L. A. Burnett Company, Pittsburgh general agent. During the past year Mr. States acted as district manager of

New President Elected By the Cincinnati Board

Theodore Safford of the A. W. Shell & Co. agency was elected president of the Cincinnati Fire Underwriters Association at the organization meeting of the executive committee last week. He succeeds Clifford W. Clemens. Walter Alexander was elected vice-president to succeed Joseph T. Dillhoff. William A. Earls, Charles A. Meyers and Frederick Rauh were elected as the other members of the committee. Joseph F. Schwer was reelected secretary.

A resolution eulogizing the life and character of Robert F. Wirthwine, former member of Harkness & Wirthwine, who died last week, was adopted. Mr. Wirthwine was actively connected with the work of the association for 20 years, having recently served as a director.

Mr. Safford has been connected with the Shell organization eight years. Prior to that he was in the paper manufacturing business in northern New York and Canada. He was born in Glens Falls, N. Y. Mr. Safford is a brother-in-law of West Shell, the son of A. W. Shell.

the Premium Notice Bureau of Pittsburgh in western Ohio and Michigan. The organization of Falconer, Dunbar & Picton has grown from 10 to 24 in number in four years.

Report on Springfield

The number of fires in Springfield, Ill., is very high, the loss per fire moderate and per capita moderately high, according to the National Board, which has just issued a supplement to the report on that city of Dec., 1928.

The water supply is slightly inadequate and with unreliable features. The new supply should offset this. Protection in many sections is limited by weak distribution systems. The fire department is undermanned, underequipped and undertrained. There is no fire alarm telegraph system.

In the congested value district, groups to block fires are probable at many locations, but wide streets, open space and fairly good fire fighting facilities should prevent sweeping fires. In some minor mercantile and industrial districts, spreading fires are likely, but in most, the hazard is local.

Exempt From Kansas Tax

The National Board informs members that income tax blanks received from the Kansas tax commission should be returned with a notation that insurance companies are specifically exempted from the tax.

Forming Sheboygan Board

SHEBOYGAN, WIS., Jan. 31.—Local agents of Sheboygan are progressing with the organization of a local board,

Purely an Agency Company

SUSSEX FIRE

INSURANCE COMPANY

Cash Capital



\$1,000,000.00

BOTH in spirit and letter observing the principles of the American Agency System.

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Bakersfield, California

WAKEFIELD & HANSEN
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Royal Indemnity
Investigations, Adjustments and Trial
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ILLINOIS (Cont.)

Higgins & Walter
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Investigations, Adjustments and Trial
of All Cases

Clock, McWhinney & Clock
630 Jergins Building
Long Beach, California
Trial of all cases and all Insurance Practice

Edward J. Myers
36 Pearl Street
Hartford, Connecticut
Investigations, Adjustments and trial of all cases

Dunn, White & Aiken
Carlos G. White Benj. R. Aiken
Hamilton Wright, Leslie Price,
Charles Rummel
Sixth Floor, Syndicate Bldg.
Oakland, California

CAMPNER & POUZZNER
Samuel Campner Louis Godfried
Daniel Pouzzner Bernard P. Kopkind
Second National Bank Building
NEW HAVEN, CONN.

DELAWARE

WILLIAM PRICKETT
812 Delaware Trust Building
Wilmington, Delaware
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(Employers Liability, Boston, Liberty Mutual, Hardware Mutual and others)

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Bryan & Middlebrooks & Carter
ATLANTA Candler Building GEORGIA
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preliminary steps having been taken. Among those active in this work are Gerry Pauly, Pauly agency; G. H. Guenther, Hoppe agency, and August Lutze, Security agency. The next meeting will be held tomorrow at which W. B. Calhoun, president, and J. G. Grindle, secretary-treasurer, of the Wisconsin Association of Insurance Agents, will speak and assist in the organization work. Agents from the territory surrounding Sheboygan will be invited to attend, since the meeting will be in the nature of a regional meeting.

Cleveland Board Hears Cullen

CLEVELAND, Jan. 31.—T. J. V. Cullen, editor of the "Spectator," speaking at the monthly meeting of the Insurance Board of Cleveland, outlined the history of insurance and its problems.

He urged that agents set about the erection of an entirely new conception in the public mind of their job as insurance agents. "Though it seems an unbelievable paradox, I assert it to be true that the American people are thoroughly sold on insurance but they are not sold on the insurance company or the insurance agent, albeit insurance owes its present day worth to the corporate company and agency system," he said.

Lowest Loss Since 1907

Lee Johnson, director of fire of Kansas City, reports the fire loss of 1933 as \$731,764, which was the lowest since 1907, when the loss was \$541,886. The per capita fire loss in Kansas City last year was \$1.71, as compared with \$4.05 in 1932.

He estimated insurance involved in fires last year was \$46,520,997 and the estimated value of property involved \$60,477,294. The average loss per fire last year was \$170.41, as compared with \$378.03 the year before.

Losses in fires of suspicious origin amounted to \$160,656. There were 67 such fires. Credit is given for the cooperation of the Underwriters Fire Patrol.

Report on Hamtramck, Mich.

The fire department of Hamtramck, Mich., is reported by the National Board to be fairly well equipped but under trained; powerful outside aid is quickly available. The water supply is generally adequate and the fire alarm system is hazardously housed and somewhat inadequate.

The number of fires is high, the loss per fire low and the loss per capita moderately high.

In the principal mercantile district, groups of buildings deficient in fire resistive features are subject to serious fires, but on account of the fair widths of streets, low heights and prevailing smaller areas, such fires should be confined to the block of origin. In the minor mercantile and manufacturing districts, the hazard is local. The residential districts, where shingle roofs and close frame construction prevail, the hazard is moderately severe.

Quincy (Ill.) Board Election

McCullough Winters has been elected president of the Quincy (Ill.) Board, succeeding Gerry Bartelt. William Binkert was chosen vice-president and V. G. Musselman was reelected secretary-treasurer. Following the election of officers, the National Association of Insurance Agents NRA code was discussed.

Burlington Board Elects

E. M. Wesner has been reelected president of the Burlington (Ia.) Insurance Agents Association. George Dwight is vice-president and C. E. Hines, secretary-treasurer. E. C. Cady is chairman of the executive committee and serving with him are C. E. Phelps and L. B. Denniston.

F. J. Riling is chairman of the legislative and grievance committee and J. E.

Jamison is fire prevention committee chairman.

Brier Heads Mutual Association

Fred A. Brier, assistant treasurer of the Grain Dealers National Mutual, has been elected president of the Mutual Insurance Association of Indianapolis, composed of executives and department heads of mutual companies.

Cats Meow Officers Installed

New officers of the St. Louis Court of

Cats Meow were installed at a dinner-dance Jan. 27. Reilly Finnegan is the new most wise and powerful meow.

Middle-West Notes

C. R. Ulrich, president High Insurance Agency, Mt. Clemens, Mich., and mayor of the city since 1931, died after two years' illness. He took over the agency, which had been established in 1875, in 1930.

Mrs. Sara S. Conyne, wife of **E. A. Conyne**, well known public adjuster, died at her home in Columbus. Mr. Conyne has been an adjuster in Columbus and Cleveland for 18 years and is well known among fire insurance men.

IN THE SOUTHERN STATES

Protest Department Merger

Kentucky Agents Oppose Proposal to Combine Insurance and Banking Departments—See Governor

FRANKFORT, KY., Jan. 31.—Life and fire insurance agents have entered a protest with Governor Ruby Laffoon over the merging of the state insurance department with the state banking department as provided for in the administrative code of the advisory council proposing a reorganization of state departments. Spokesmen of the delegation told the governor that of the two departments the insurance department is the best source of income in the state as it turns over in excess of \$1,200,000 a year to the general expenditure fund. They pointed to the fact that the insurance department operates on a budget of \$49,000 a year and that but three states have combined their insurance departments with their banking departments.

Members of Delegation

In the delegation were: C. E. Swope, Jr., president Louisville Board; Joseph Gausepohl, Covington, president Kentucky Association of Fire Underwriters; P. B. Bethel, secretary Louisville Board, and Harry Wilson, Irvine, and J. R. Reed, Columbia, representing the fire companies.

Annual Meeting of Texas Agents in Dallas May 24-25

The annual meeting of the Texas Association of Insurance Agents will be held in Dallas, May 24-25, according to Manager Alfonso Johnson. The directors of the state association and officers of the various local exchanges of Texas will meet in Dallas, May 23.

Tom P. Ellis was named director for the convention. He announced an invitation had been extended to W. H. Bennett, secretary National Association of Insurance Agents, to attend the convention.

Protect Cooperating Companies

BIRMINGHAM, ALA., Jan. 31.—A committee appointed by Anglin White, president Birmingham Association of Insurance Agents, is now working on obtaining representation for companies left in the street on account of loyalty to the new dual agency rule of the association, effective Jan. 1. The rule prohibits a member agent from representing any company or general agent which may have another agent not a member of the board.

The committee was appointed when it was reported that certain companies were losing business because of compliance with the rule. One general agent reported the loss of \$30,000 of business. The biggest agency in Birmingham took in one company which had been left unrepresented. Others have offered to do likewise. The association is determined that not one company will lose a cent because of cooperation in enforcement of the rule.

Woods Heads Louisiana Body

Insurance Commission Extends Effective Date of Its Local Agent Definition to April 1

NEW ORLEANS, Jan. 31.—R. P. Woods, Sr., Lutcher lumberman, vice-chairman, has been elected chairman of the Louisiana insurance commission, succeeding R. M. Walmsley. No vice-chairman was named to succeed Mr. Woods, as the law provides only for a chairman and secretary. I. W. Gajan will remain as secretary, and Mr. Walmsley will continue as a member.

Following an appeal, the effective date of the definition of a local agent ordered at the last meeting was extended to April 1. The definition limits companies to only one general agent in Louisiana.

W. M. Railey petitioned the commission that "fair rates" be ordered on all classes of insurance in the state to yield a net underwriting profit of 5 percent "which the law intends that they shall have," in place of the present figures, which he explained in some cases reach far higher than five percent and in others fall below that figure.

The commission was asked by R. M. Poms, president Louisiana Rating & Fire Prevention Bureau, to approve the nationwide definition of marine and transportation insurance.

Rules Florida Schools Can't Place Insurance in Mutuals

TALLAHASSEE, FLA., Jan. 31.—C. D. Landis, Florida attorney general, has ruled that school property can not be insured in mutuals, notifying the insurance department to that effect in the following statement:

"Article 9, section 10 of the constitution of Florida provides in part as follows:

"Nor shall the state become a joint owner or stockholder in any company, association or corporation. The legislature shall not authorize any county, city, borough, township or incorporated district to become a stockholder in any company, association or corporation, or to obtain or appropriate money for, or to loan its credit to any corporation or association, institution or individual."

"By a mutual association or company I understand a company or association engaged in effecting mutual insurance, that is such policies by which the holders mutually agree to indemnify each other, such indemnity usually effected by an assessment. It is my opinion that article 9 of section 10, aforesaid, prohibits the insurance of public school buildings in such mutual companies because the insured becomes in effect a stockholder in such association, and a member thereof, and is in effect loaning its credit to such association or corporation."

Voorhis on Texas Visit

C. A. Voorhis, assistant secretary of the Yorkshire group, is making an extended visit to agents in Texas, learning at first hand what the particular under-

writing problems are and the prospects for increasing the income from desirable business. It is his first trip through the Lone Star state. He traveled New Jersey as special agent before being called to New York and given an official post.

Florida Tax Total Down

TALLAHASSEE, FLA., Jan. 31.—Taxes paid to the state by insurance companies for the year ending June 30, 1933, totaled \$830,095, compared to \$928,523 in 1932.

Kentucky Department Reports

FRANKFORT, KY., Jan. 31.—The Kentucky insurance department operated at a cost of \$45,000 during the last fiscal year and collected \$1,008,108 in premium taxes. In his annual report Commissioner G. B. Senff said that he is requiring companies whose liquid condition is not satisfactory, to file semi-annual statements, and in some instances, monthly reports. Forty-three companies withdrew from Kentucky during the year and 12 new companies were admitted.

Dallas Agents Discuss Code

DALLAS, Jan. 31.—The code recently filed in Washington by the National Association of Insurance Agents and yet to be acted upon by the NRA officials, was discussed at the regular meeting of the Dallas Insurance Agents Association. Eric Gambrell, recently elected president to succeed Tom P. Ellis, presided at the meeting.

Georgia Mid-Year Meeting

The mid-winter meeting of the Georgia Association of Insurance Agents will be held in Atlanta Feb. 5. The agenda comprises the following subjects: Compensation rates and commission; automatic cancellation clause; 60-day payment of losses; contingent contract for agents; Commodity Credit Corporation cotton insurance; 45-day flat cancellation of policies; violation of SEUA companies in mutual and mixed agencies. A full attendance is promised.

Pick Montgomery for Convention

BIRMINGHAM, ALA., Jan. 31.—The executive committee of the Alabama Association of Insurance Agents in session here, formally selected Montgomery for the 1934 convention at a date to be selected, probably the second week in May. Montgomery's invitation was accepted on invitation of Arthur Mead, former association president.

Prior to the convention a vigorous membership campaign will be conducted, designed to present a united agency front in the solution of several difficult problems that have arisen within the last year.

The executive committee passed resolutions of regret on the recent death of James L. Case, past president of the National Association of Insurance Agents.

Augusta to Renew Invitation

AUGUSTA, GA., Jan. 31.—Despite the fact that Louisville was selected as the place for holding the mid-winter meeting of the National Association of Insurance Agents, Augusta will again extend an invitation for 1935.

Mississippi Measures Up

JACKSON, MISS., Jan. 31.—With the Mississippi legislature in its fifth week, only two bills affecting insurance have been introduced. The first, proposing to abolish the insurance commission, has been reported out of the senate committee with many amendments. It now provides for the retention of the commission, but with a reduction in the salaries of the three commissioners, who now draw \$3,600 each annually. It would also curtail their authority.

A bill relieving automobile owners from liability for injury or death of

guest passengers has been introduced. Casualty men say that if this passes, liability rates may be decreased in Mississippi as much as 10 percent.

Bills have been prepared for introduction repealing the valued policy law, authorizing coinsurance, and requiring companies to report the source of premiums by agencies and brokers when adjusting losses.

Fire Companies Exempt

The insurance investment bill, which was introduced in the Kentucky legislature, at the last minute was amended, so as to exclude fire and casualty companies from the provisions as to percentage of assets that may be invested in particular classes of securities. Thus, this important provision of the bill applies only to life companies.

Other provisions of the bill apply also exclusively to life companies. There is one provision that an insurance company may not invest more than 2 percent of its assets in bonds and preferred stock of a particular corporation or lend more than 2 percent on one mortgage. Life companies will be prohibited from investing in the stock of other insurance companies.

The investment bill was inspired by the failure of the Inter-Southern Life of Louisville and its vicious interrelation with the Security Life of Chicago, Northern States Life of Indiana and Missouri State Life. Accordingly, the evils that are aimed at are those that exist in some parts of the life insurance field.

Insurers Victims of Racket By Chimney Repair Crews

A new racket designed to victimize fire insurance companies is reported by the factory mutual companies. Some chimney repair men examine chimney tops from the ground through field glasses and if there is some indication of deterioration, they call it to the attention of the owners, suggesting the damage was very likely caused by lightning and that the insurance companies will pay for it, though there may actually be no evidence of lightning.

Through this approach, they have obtained repair jobs and on reaching the tops of chimneys have claimed there was direct evidence of lightning and have gone ahead with the work, tearing down the brick work, with the result that the nature of the damage could not be checked. Sometimes they have made artificial cracks like those caused by lightning, where such evidence actually did not exist.

Recently, an itinerant chimney crew quoted a low price for certain repairs, but once well started, announced the discovery of further serious damage and being authorized to complete the work they quickly ran up high charges by using more men than necessary and applying steeple jack rates to all the men.

The factory mutual people point out lightning damage is so obvious a competent chimney man can tell before starting work whether or not this is the cause. If lightning is involved, it is important the insurance companies be notified in ample time before repair work is started.

To Print Auto Manuals

Printing of the 1934 rate manual of the National Automobile Underwriters Association has been entrusted to the Recording & Statistical Bureau of New York. The understanding is that copies of the publication, when issued, may be purchased by non-affiliated as well as organization members, a condition that did not obtain in former years.

The **W. E. Lord Agency** in Cincinnati moved its quarters last week to 211 East Fourth street, making it possible to greatly increase the space available for the agency which plans to increase its force materially in the near future. The Lord Agency represents about 20 companies writing all lines of insurance.

PACIFIC COAST AND MOUNTAIN

Explains Montana Coverage

Commissioner Holmes Contends State Pays Higher Rate as Result of Canceling and Rewriting

Commissioner Holmes of Montana has furnished the special legislative committee of his state an analysis of the insurance on state properties, which is the subject of inquiry by the special committee. The governor of Montana and the secretary of state are under fire in connection with certain insurance transactions, principally the short rate cancellation of \$9,353,685 coverage and the rewriting in the amount of \$6,661,391 through the Miller agency of Butte.

Because of the short rate cancellation, Mr. Holmes said that state insurance has been written at \$.85, not \$.796, the old rate, or \$.600, the new rate. He points out the state has lost \$2,692,294 of coverage under the new contract, which reduction may be of great importance under the 90 percent coinsurance clause.

The present carriers of state insurance in Montana and the amount of their liability are: First National of Seattle, \$1,000,000; Grain Dealers National Mutual Fire, \$200,000; Michigan Millers Mutual Fire, \$250,000; Millers Mutual of Texas, \$150,000; Millers Mutual of Harrisburg, Pa., \$100,000; Millers National, \$2,348,784; Mill Owners Mutual of Iowa, \$952,600; National Retailers Mutual, \$100,000; Pacific Fire, \$1,260,007; Pennsylvania Millers Mutual, \$100,000, and Western Millers Mutual Fire, \$200,000.

In addition the Pacific Fire has \$100,000 liability covering contents of the library of the state capitol.

Denver Agents Not Able to Adopt Representation Rule

DENVER, Jan. 31.—The proposal to give Denver Association of Insurance Agents a new set of by-laws hit a snag at the January meeting when the suggestion was considered to bar all agents from membership if they represent non-conference companies. All members present appeared to be representatives of association fire companies, but it was revealed that some of them represented casualty companies outside the conference, and others preferred to be in a position to broker business that they cannot handle in the association companies.

Although the meeting was called specifically to act upon the amendments no official vote was taken when the opposition appeared. It was decided, however, to conduct a membership campaign providing for a fee for new members of \$7.50 until Sept. 1. Approval of the code which has been presented by the National association to Washington officials was voted.

Discuss Overhead Writing

LOS ANGELES, Jan. 31.—A conference was held here by a special committee of the Pacific Board with representatives of the association agents' committee for southern California. Overhead writing agreements were discussed. It is reported that a spirit of

the utmost harmony and cooperation featured the conference and a better understanding of the existing situation was established.

Los Angeles Accountants Meet

LOS ANGELES, Jan. 31.—The Insurance Accountants Association of Los Angeles has been organized with 25 insurance accounting department managers as members. Robert Armstrong, Swett & Crawford office, was elected president; Henry Hamilton, Indemnity of North America, vice-president; and Miss L. M. Carter, Fidelity & Deposit, secretary. The next meeting is Feb. 8.

Montana Fire Loss in 1933

State Fire Marshal Mountjoy of Montana in a comparative report covering losses from fire in 1932 and 1933, finds that they have declined in cost to property owners of \$1,306,797. The fire losses in 1932 totaled \$2,142,335 and in 1933 \$835,537.30. The total number of fires was about the same, but the losses showed a decrease of about 61 percent.

Watt Urges Care by Buyer

SAN FRANCISCO, Jan. 31.—Carefulness on the part of the buyer of insurance, as well as on the part of the seller, was one of the many pertinent points brought out by R. B. Watt, San Francisco insurance attorney, in his address before the San Francisco Insurance Buyers Association. He discussed frankly what might be considered faults of the standard form of policy as well as its virtues and stressed the importance of there being a complete and thorough understanding of what is to be insured and how the coverage is affected. He suggested that there be complete understanding on this particular. After explaining the policy in detail, as interpreted by law, he answered many direct questions effectively.

Cairns Ends Eastern Trip

E. T. Cairns, vice-president Fireman's Fund, has returned to the head office in San Francisco after spending three weeks in the east. He attended field conferences in Boston, Chicago, Atlanta and New York.

San Francisco Totals Given

SAN FRANCISCO, Jan. 31.—Fire insurance premiums written in San Francisco in 1933 totaled \$3,546,557, according to the report of the Underwriters Fire Patrol. This is a decrease of \$383,899 or slightly under 10 percent compared with \$3,930,457 for 1932. Premiums for the last six months of 1933 totaled \$1,683,726 compared with \$1,733,844 for the last six months of 1932 and \$1,862,831 for the first six months of 1933.

Lutich Heads Marine Group

SAN FRANCISCO, Jan. 31.—R. J. Lutich, marine manager George E. Billings Company, was elected president of the Association of Marine Underwriters of San Francisco at the annual meeting. He served as vice-president last year. The new vice-president is M. R. Wallace of the Boston. H. W. Hauser, Pacific Marine Insurance Agency, is sec-

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retary-treasurer, W. J. Jansen of E. C. Evans & Son, president last year; W. L. Dawes of Talbot, Bird & Co., and A. W. Young, Fireman's Fund, constitute the executive committee.

Recording Men Objected

DENVER, Jan. 31.—Withdrawal of the application and merit rating plan for farm business from the mountain territory, after only a short trial period, is blamed principally upon the opposition of recording agents and the intervention of Commissioner Thulemeyer of Wyoming.

The recording agents in the mountain field have been writing farm business, by making a single daily report and writing the policy themselves. This practice was permitted particularly by companies which were not really in the farm writing business, but accepted a certain amount of this class from their good recording agents. The real farm writing companies had been insisting all the time upon the application system.

As the farm experience grew worse, the field men gave it much attention and after about two years of deliberation proposed the merit rating plan, which was finally approved and has now been abandoned.

The recording agents, who strenuously objected to the new system, found sympathy among some special agents and this has caused some bad feeling in the field.

Washington Fund Bill Vetoed

OLYMPIA, WASH., Jan. 31.—Governor Martin has vetoed the bill creating a state fire insurance fund for public buildings. Insurance interests and the Seattle chamber of commerce strenuously opposed the measure.

Seattle Marine Board Elects

SEATTLE, Jan. 31.—V. A. Newman, Jr., manager of the marine department of the North America, was elected president of the Board of Marine Underwriters of Seattle. F. W. Perry, Yang-Tsze, was chosen secretary-treasurer and Frank Taylor, Fireman's Fund, named chairman of the executive committee.

Collopy to Los Angeles

M. F. Collopy, inland marine and automobile special agent of the Aetna Fire for the past ten years, has been transferred to the Los Angeles service office.

Eastern States Activities

Pittsburgh Speakers Dated

U. S. Official Banquet Speaker—William Quaid, E. M. Allen, Harold Gordon Are Scheduled

The program for insurance day of the Insurance Club of Pittsburgh Feb. 19 is shaping up well, with a number of important insurance executives already scheduled to deliver addresses during the educational sessions in the morning and afternoon, and John Dickinson, assistant secretary of commerce, scheduled to be the banquet speaker.

William Quaid, vice-president, Southern Fire of the Home of New York group, who addressed the Pittsburgh meeting last year, and made a hit, will appear again this year. The other speakers who have already agreed to appear are Harold R. Gordon of Chicago, executive secretary Health & Accident Underwriters Conference, and E. M. Allen, executive vice-president National Surety.

Other speakers will be announced later. A large number of important

executives have already accepted invitations to attend. The Pittsburgh dinner is always one of the brilliant functions, inasmuch as it attracts dozens of leading company officials in all branches.

Massachusetts Federation Rally

The annual meeting of the Massachusetts Insurance Federation will be held in Boston Feb. 8. The speakers will be Gaspar G. Bacon, speaker of the Massachusetts house, and Insurance Commissioner Brown. Some 135 insurance bills now before the state legislature will be reviewed and discussed by General Counsel J. W. Downs.

Massachusetts Bill Opposed

BOSTON, Jan. 31.—A bill making a fire insurance policy attach in favor of a mortgagor even though it may be void at and from its issue, proposed by Commissioner M. L. Brown, attracted strong opposition at a hearing before the insurance committee of the legislature this week. President W. R. Hedge of the Boston and Old Colony opposed the bill as making an invalid contract valid. The only thing which would void a policy would be misrepresentation of the property and mortgagees could ascertain such facts for themselves at the outset, said Mr. Hedge. The National Board was also represented as opposed to the measure.

A legislative committee voted to kill the measure proposed by Commissioner Brown that notice by registered mail constitute sufficient notice of cancellation of insurance policies.

Study Malt Plant Fire

The fire and explosion in the malt plant of W. E. Kreiner & Sons of Buffalo is being studied by fire insurance executives, who are interested in the new hazards created by the resumption of brewing and malting activities.

A small fire started in the section of the plant in which grain was held. Soon after the arrival of the fire department, an explosion occurred, apparently when one of the doors leading into the section housing the grain was opened. This gave the flame a back draught.

Philadelphia Society Banquet

The annual banquet of the Philadelphia Insurance Society will be held Feb. 26. R. J. Dunkle, Jr., North America, is chairman of the committee in charge.

Probe Committee Holds Hearing

HARRISBURG, PA., Jan. 31.—The joint legislative committee to investigate the Pennsylvania insurance department at its first hearing here had as its chief witness W. J. Johnston, former chief of accounts in the insurance department, who had been in the department for 33 years and was dismissed in 1932. He admitted that all of his charges reflecting on the operation of the department were based on hearsay.

The committee has been examining the procedure by which the American Mine Owners, Commonwealth Casualty and Independence Indemnity were merged with the now defunct International Reinsurance. The three companies had securities of more than \$965,000 deposited in the Pennsylvania treasury and Johnson's allegation is they were removed at the expense of policyholders.

Commemorate Baltimore Fire

BALTIMORE, Jan. 31.—Reservations for the "Old Timers' Party" and dinner to be given under the joint auspices of the Association of Fire Underwriters of Baltimore, the Chesapeake Blue Goose and the Insurance Society of Baltimore, on Feb. 7, the 30th anniversary of the great Baltimore fire, have so far exceeded expectations that the committee has been forced to seek large accommodations. The room will be

decorated with pictures of the fire, relics and newspapers giving an account of the three-day conflagration, which entailed a loss of \$125,000,000. Speakers will include H. M. Warfield, president of the Baltimore Board; C. H. Rolson, president of the Central Fire of Baltimore; F. A. Gantert, president Fidelity & Guaranty Fire; H. L. Riall, August Emmerich, former chief of the fire department, Howard Travers, chief, and P. W. Wilkinson, secretary, of the fire department. D. H. Hamilton will act as toastmaster.

Change in Fairmount, W. Va.

The Laughlin-Henry Agency of Fairmont, W. Va., has dissolved partnership. R. M. Henry has opened an office in the name of the R. M. Henry Agency and Mr. Laughlin with D. W. Beebe has established the Laughlin-Beebe agency. Mr. Beebe was formerly connected with the old agency.

Pennsylvania Drive Launched

PHILADELPHIA, Jan. 31.—The Pennsylvania insurance department has launched a campaign on insurance illegally written on laundry, shoes left for repair, etc., according to J. F. Harris, chief investigator. It is the practice of some laundries, shoe repair shops and other businesses to charge a small sum for insurance, said Mr. Harris. "Wagon drivers or clerks have no legal right to accept insurance for they are not licensed insurance agents," he declared. "It can be seen that in the long run the customers are really paying in the small sums asked of them the insurance for which the business should pay." Fines are provided for clerks and delivery wagon drivers who accept insurance payments as they are not licensed agents. Efforts are also being made by the Pennsylvania insurance department to prevent non-licensed companies from doing business in the state.



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The National Underwriter

February 1, 1934

CASUALTY AND SURETY SECTION

Page Twenty-seven

Plan Proposed to Meet 50-50 Form

Committee of National Casualty Bureau Considers 50 Percent Retention Glass Policy

HAS SOME ADVANTAGES

Competitive Situation in Chicago and Philadelphia Is Forcing Taking of Decisive Action

A new policy may be tossed into the highly competitive field of plate glass in this country in an effort to meet the inroads of the 50/50 contract. The form being considered is a 50 percent retention policy, the underlying principles of which have been taken from the corresponding automobile collision policy written by members of the National Bureau of Casualty & Surety Underwriters for approximately two years, since a working arrangement was effected with the National Automobile Underwriters Association of New York. The 50 percent retention principle had been employed in the automobile conference for a number of years previously, having been approved for use on the Pacific Coast. Experience under it there was good.

Competition Causes Resignations

Several resignations in recent months from the Cook County Plate Glass Insurance Bureau of Chicago, culminating in the last few days in resignation of the Ocean Accident, brought the situation to a head. A month or so ago the Cook County bureau urged that the National Bureau approve a principle of permitting companies to write 50/50 in Chicago if they desired. This was turned down.

Just recently the eastern committee, acting as liaison agent between territorial organizations and the National Bureau, suggested that the 50 percent retention form might be drafted into the plate glass business to give organization companies something with which to meet competition. This is now being considered and it is believed will be passed up to the membership of the National Bureau before long for a vote.

In the meantime, it is learned, some companies in Chicago are writing this newer form in a limited way. It is an open secret that several companies in the Cook County bureau are writing the 50/50 contract. Chicago is the home of the 50/50 form and it has attained its greatest spread there.

Comparison of Contracts

The 50/50 contract and 50 percent retention form accomplish much the same purpose, but have definite differences. As is well known, under the 50/50 contract, the assured pays 50 percent of his annual premium immediately and then if he has no more losses in the policy year, pays no more premium. If

(CONTINUED ON PAGE 36)

Topics For Discussion at Big Compensation Parley

NEW YORK, Jan. 31.—A lengthy memorandum of the topics to be pondered at the important compensation gathering in New York, Feb. 8-9, has been sent out by the special committee on compensation rate making of the National Bureau of Casualty & Surety Underwriters. The conference in New York will be attended by the special committee of the National Bureau, by a committee of the National Association of Insurance Agents and a committee of the National Association of Casualty & Surety Agents.

The National Bureau does not undertake to outline a new plan, but merely indicates the plight of the compensation business and emphasizes the necessity of radical changes.

The memorandum is divided into four general headings—reduction of losses, reduction of expenses, increase in premiums and special plans for handling large risks.

Approval of Commissioners

The special committee states that following conferences with the producers, the National Bureau committee will draw up a program to be submitted to the National Bureau as a whole, and, if approved, to the special committee on compensation rate making of the National Convention of Insurance Commissioners. If a plan is developed and approved by the commissioners, then the job will be to have the plan approved in the various rate regulated states.

Under the head of reduction of losses, the question of improvement in medical and hospital services will be discussed. Possibly a report of a subcommittee composed of company medical directors will be available for the conference.

Then comes improvement in the administration of claims, with the statement that this question has been referred to the governing committee of the claim department of the National Bureau and any suggestions for improvement may be incorporated in the general program.

Safety Work Improvement

So far as improvement in safety work is concerned, the important job of the day is inculcating safety in the individual worker. Elimination of schedule rating will relieve the safety engineers of the companies of routine work involved in checking schedule ratings and will permit them to devote their undivided time to the organization of individual risks along lines which will promote real safety.

The experience rating plan constitutes a powerful appeal to employers to prevent accidents. The National Bureau, through its conservation department under the direction of A. W. Whitney, is continuing without diminution safety activities which for years have constituted an important part of the work of the National Bureau.

Under the heading of reduction of expenses, first comes administration of claims. The standardized report forms

that were devised by the claims committee appointed by the National Council on Compensation Insurance were cited. This committee is continuing its activities in behalf of reducing expenses wherever possible by standardization of procedure and cooperation among companies.

Then comes inspection and accident prevention work. The statement is made that elimination of schedule rating would normally have produced reduction in expenses arising under this item, but bureau inspectors, who were heretofore engaged in schedule rating inspections, are now employed in general classification inspection work to improve the accuracy with which risks are classified for rating purposes. Elimination of schedule rating does not reduce company expenses, but merely affords companies opportunity to better serve their policyholders by concentrating on accident prevention instead of routine checkup of schedules.

The suggestion has been advanced that centralized inspection service would be more economical. However, the memorandum expresses the belief that real safety inspections are highly individualistic and dependent upon the personality of the individual and the cooperation of the company he represents. A central organization is inconceivable. It wouldn't know where to begin or where to end or what to do in between.

Developing the Premium

Likewise, the committee frowns on the idea of a central audit bureau. However, economies might be possible in payroll auditing by cooperative effort in certain territories, where risks are widely scattered.

Assurance should be given to supervisory officials that the National Bureau companies are doing all within their power to develop all premiums earned under compensation policies and the committee has therefore requested a committee of heads of auditing departments to present a program for the testing of audits in all states.

So far as general administration is concerned, the committee states this item of expense has been drastically cut during the past three years. Salaries and personnel have been reduced and more economical operations have been effected. In 1932 administration expenses chargeable to compensation of 33 members of the National Bureau were 18.6 percent lower than in 1929. While premium income has decreased, there has been no corresponding reduction in number of work units, measured by number of policies, number of audits, etc. In 1929 the average compensation premium was \$210, while in 1932 it was \$164.

Uniform Cost Accounting

Steps have been taken to bring about more uniform cost accounting. In December a committee of the Association of Casualty & Surety Accountants & Statisticians submitted recommendations in this direction. The companies

(CONTINUED ON PAGE 35)

Sacrifice Needed, Cornelius Avers

Compensation Reform Depends on All Parties Agreeing to Accept Loss

GIVES INDIANA ADDRESS

Continental Casualty Official Contends Most Short Cut Programs Being Advocated Are Impractical

INDIANAPOLIS, Jan. 31.—Belief was expressed by M. P. Cornelius, vice-president Continental Casualty, in an address during Indiana Insurance Day here, that the various plans to bring about an improvement in compensation that are being advocated by public authorities, company officials and field representatives will not bear the test of close analysis. Necessary improvement cannot be accomplished by any short cut or ingenious device. After all, an insurance carrier must have enough premiums to pay its losses and expenses.

Need for Reform Obvious

The only basis for encouragement as to compensation, he said, is the fact that the necessity for some radical remedial action is now obvious to everybody.

Mr. Cornelius said improvement will only come when all interested parties are willing to make a reasonable sacrifice. The companies must reconcile themselves to the fact that no profit can be made out of the business and they must accept as inevitable an underwriting loss reduced to a point where it is at least bearable.

What Agents Should Accept

The producers, he said, must be prepared to accept a reasonable commission reduction. There should be the utmost frankness in dealing with this question, he said. He expressed the opinion that it is in the interest of the producers to accept a reduction, on the theory that half a loaf is better than none and that a reduced commission is better than no commission.

The employer must reconcile himself to the situation and be prepared to pay somewhat higher rates, although not radically higher.

Commissioners' Obligation

State authorities must be prepared to approve somewhat higher rates and should adopt the principle that the reduction in acquisition cost should not be taken out of the present entirely inadequate cost loading. The companies must be given the benefit of the reduction.

Assuming that the compensation problem will be solved, Mr. Cornelius said he is optimistic as to the future of the casualty business.

New York Chamber Report Criticises U. S. Bank Cover

NO INSURANCE IS INVOLVED

Find No Scientific Basis for Figuring Assessments, Cites Prior Experiments by Several States

NEW YORK, Jan. 31.—Criticising the bank deposit guaranty plan of the federal government, the committee on finance and currency of the New York State Chamber of Commerce, will urge in a report at a meeting of the organization Feb. 1 that further study be devoted to the problem before the existing temporary program, which will expire July 1, is made permanent.

Declaring that no governmental bank deposit guaranty plan has yet proved a success, it summarizes the results of such experiments by a number of states:

Summarizes Experiments

Oklahoma—Enacted in 1907; inoperative in 1921 due to the fund being practically insolvent; repealed in 1923, deficit between \$7,000,000 and \$8,000,000.

Kansas—Enacted in 1909, repealed in 1929, deficit \$7,115,000.

Texas—Enacted in 1909, repealed in 1927, deficit \$16,000,000.

Nebraska—Enacted in 1911, repealed in 1930, deficit \$22,000,000.

Mississippi—Enacted in 1914, suspended in 1930 due to deficit of \$5,000,000.

South Dakota—Enacted in 1915, repealed in 1925, reinstated by referendum in 1926, amended in 1927; deficit June 30, 1930, \$36,769,000.

North Dakota—Enacted in 1917, repealed in 1929, deficit \$14,000,000.

Washington—Enacted in 1917, voluntarily canceled when Scandinavian Bank of Seattle failed with deposits of \$9,000,000; repealed in 1929.

Gist of Federal Plan

Under the federal act, the temporary insurance of bank deposits up to \$2,500 became operative Jan. 1, 1934. Permanent insurance of deposits (100 percent up to \$10,000; 75 percent of the amount between \$10,000 and \$50,000, and 50 percent of the excess over \$50,000) becomes operative July 1, 1934.

Federal reserve member banks must participate in this insurance and pay to the corporation an amount equal to one-half of 1 percent of their total deposit. The permanent plan, to become effective July 1, 1934, provides that the banks shall receive stock in the corporation, and participating banks will be subject to unlimited assessments to meet losses. Any state bank, even though not a member of the federal reserve system, may join in this deposit insurance, upon making the same contribution as the federal reserve member banks.

Not Considered Insurance

Obviously, it is a misnomer to designate this protection to depositors as insurance; those who receive the benefits do not pay the premiums, and the entire enterprise does not partake of the character of insurance. There is no real actuarial basis or data on which either assessed contributions or distributed benefits could be computed. The risk involved in business cycles is irregular and unpredictable.

Private corporations which insure against fire or marine losses, or guarantee the fidelity and honesty of employees and others or indemnify parties to a contract for its nonperformance, pick their risks and vary the rates charged the beneficiaries in accordance with varying hazards.

Under any real insurance plan a badly mangled bank or an uneconomical bank would pay a high premium. But

First Bond Written on Delaware Bridge Contract

PHILADELPHIA, Jan. 31.—The bond on the first contract on the construction of the high-speed line across the Delaware River bridge, amounting to \$998,394, was written by Thomas B. Smith & Co. and placed in the Maryland Casualty. The premium was set at 1½ percent or \$14,975.

Although the bridge commission stated that the bond would be distributed among various agents, Thomas B. Smith & Co. said that as far as they know, they are the only office on the bond although part of the bond may be given to a New Jersey agency.

The announcement that the bond was written by the Smith firm ends rumors around Philadelphia that there was to be a "new deal" in insurance on the bridge.

Thomas B. Smith, who resigned from the business two years ago, is a former mayor of Philadelphia and is a member of the Delaware river joint bridge commission. The agency has been run by his son, David. The agency avers that it made no special drive for the bridge bond other than any other agency would have done.

Local surety men are not dissatisfied with the business going to the Smith firm. Both former Mayor Smith and his son are popular in insurance circles.

West Virginia Department Restrained in Rate Case

The Kanawha county, W. Va., circuit court has made permanent the injunction restraining the West Virginia department from attempting to regulate the rates at which the Employers Liability writes automobile policies in West Virginia or to have to amend any such policy because of the rates or amount of premium charged. The action was brought by the Flat Top Insurance Agency of Bluefield, W. Va., against the insurance commissioner, and, as a matter of form, the Employers Liability, since the injunction also restrains the Employers Liability from canceling policies written for it by the Flat Top Agency because of the commissioner's previous ruling.

Hartford Accident Conference

About 35 middle western field men, inspectors and payroll audit men of the Hartford Accident attended a three-day conference in Chicago last week with western department officials. Talks were made by Vice-President George H. Moloney, Manager John C. Hyde, Assistant Manager Frank C. McVicar and a number of department heads. On the last day, the conference was turned over to the field men, who made suggestions.

under this plan, everyone can come in for insurance, and the stockholders in the insurance corporation who will pay the cost of the insurance, and incur unlimited liability, have no voice in management of the corporation nor a vote in determining the risks to be covered.

Long Opposed to Plan

Twice in recent years the chamber has gone on record against the guarantee or insurance of bank deposits. In 1918 it unanimously adopted a report opposing a bill before Congress providing for a national bank tax to be used to pay losses of depositors of failed banks. Last year the chamber opposed a bill before the legislature to establish a state guaranty fund for bank deposits.

Until the operation of the government's plan is more clearly defined, few surety companies care to consider depository guaranty bonds.

Michigan Rigidly Enforces Rule on Fictitious Fleets

WARNING SENT TO COMPANIES

Commissioner Gauss Is Requiring Compliance with 1930 Order—Asks That Agents Be Notified

LANSING, MICH., Jan. 31.—Commissioner C. E. Gauss has dispatched a letter of warning to all companies writing automobile lines in Michigan to the effect that the department intends to enforce rigidly its ruling of May, 1930, outlawing fictitious fleets.

After repeating the old ruling in full, it is pointed out that violations of the regulation have recently been reported, and that it is considered advisable to reiterate the department's position in contemplation of drastic action if the ruling is ignored in the future.

"It has come to the attention of the department," the communication states, "that some companies and agents are disregarding this ruling and I am, therefore, informing you that complete compliance with the ruling is necessary. I am asking that you advise each of your agents of this state who solicits or writes automobile insurance that he cease writing fictitious fleets in the state of Michigan."

"You are now thoroughly familiar with the attitude of this department relative to the improper underwriting practices complained of above, which this department will not condone. Violations of the rule which come to the attention of the department will necessitate appropriate action being taken against the offending parties."

Start Baby Bond Campaign With London Lloyds Policy

NEW YORK, Jan. 31.—Home offices of several surety companies here have received copies of a circular sent out in several states by Scarborough & Company of Chicago, soliciting London Lloyds "baby bonds" from smaller banks with six or less employees in amounts of \$5,000, \$7,500 and \$10,000. The circular states that, where banks have bandit barrier systems or bullet-proof protection, bonds will be issued covering losses from embezzlement by employees and bank burglary, inside hold up and outside messenger hold up losses.

Several offices here state that they decline such lines for less than \$10,000 (for which amount the Towne Bureau rate is \$550) and one office reports that it will retain only \$2,500 on such lines because of very unfavorable loss experience. Officials of American companies predict that Lloyds, writing smaller lines at small premiums, will be "burnt up" on such risks if present day experience continues.

Lloyds' rates for these "baby bonds," according to the Scarborough circular, are \$260 for \$5,000, \$285 for \$7,500 and \$310 for \$10,000. The circular describes Lloyds as "the largest insurance organization in the world" with \$250,000 deposit in the state of Illinois and makes the statement that "50 percent of the banks in Chicago carry Lloyds coverage against loss."

UNDER SPECIAL ARRANGEMENT

The bond mentioned, according to Henry Scarborough, Jr., head of the Chicago brokerage firm, gives all the coverage usually found in baby bonds sold by American companies, with the exception of forgery and misplacement. It is a contract which Mr. Scarborough arranged on a trip to London. London Lloyds heretofore, according to surety men, has not been active in this line among smaller bank risks. The campaign is interpreted as an effort to get a spread.

New London Lloyds Attack Made in South Dakota Suit

LOCAL AGENT STARTS ACTION

Seeks Order Restraining Banking Commission from Approving Fidelity Bonds of English Carrier

SIOUX FALLS, S. D., Jan. 31.—A new attack on London Lloyds was launched in an action started by Miner Shaw, Sioux Falls local agent, in which he asks an order restraining the state banking commission from approving fidelity bonds for banks and banking officers through Lloyds.

This is a follow-up on the holding of Attorney General Conway that Lloyds could not write fidelity bonds in this state on account of its failure to come under jurisdiction of the insurance department. After that opinion was given, the state banking commission approved Lloyds cover for banks which had secured their bonds through that organization. The final determination of the issue is likely to be in the supreme court of the state.

DAWSON KEEPS OUT OF ROW

PIERRE, S. D., Jan. 31.—Commissioner Dawson says that while Lloyds of London may be given authority to do business in this state under a specific amendment to the insurance laws, so long as it is not properly licensed in the state he is not taking any part in the issue which has been raised by the holding of Attorney General Conway, and the refusal of the state banking commission to give consideration to the ruling of the attorney general in regard to that organization, nor is he in position to make any demands upon it as to its methods of doing business within South Dakota. Attorney General Conway has been out of the state since the giving out of his opinion and the action of the banking commission and what, if any, action he will take in the case is not known.

NEW MASSACHUSETTS MEASURE

BOSTON, Jan. 31.—A bill which would prohibit Lloyds and all other non-admitted insurance carriers from doing business in Massachusetts, directly or indirectly, and would penalize not only those who negotiate such insurance, but those who adjust losses under the policies or take part directly or indirectly in aiding such carriers in the state, was given a hearing by the insurance committee of the legislature. The bill was prepared by Commissioner M. L. Brown and was generally supported. The present law merely forbids the "negotiating" of policies and is felt not to be strong enough.

General Accident's Figures

At the close of 1933 the United States branch of the General Accident had total assets of \$25,331,991; deposit capital of \$550,000 and net surplus of \$4,736,000. Valuing its bonds and stocks on the convention basis, the company reserved \$2,297,059 to bring the figures to market quotations as of Dec. 31. Reserves for unearned premiums are \$6,958,617; losses, \$9,461,254; taxes and all other liabilities, \$1,328,989. On an actual market basis the policyholders surplus shows an increase of \$930,000.

Steam Boiler Men Confer

Chief inspectors and other representatives of the Hartford Steam Boiler are gathered in Hartford this week for the annual conference. On Tuesday the group went to Schenectady, N. Y., to inspect developments at the General Electric Company plant. On Saturday a trip will be made to Jersey City to observe a demonstration of pressure vessels at the M. W. Kellogg Company plant.

Standard Claim Forms for Compensation Are Spreading

ARE APPROVED BY 14 STATES

Eventual Countrywide Use of National Council Blanks Expected Due to Simplification

NEW YORK, Jan. 31.—To date the states of Alabama, California, Connecticut, Georgia, Indiana, Iowa, Louisiana, Maryland, Massachusetts, Nebraska, New Hampshire, Tennessee, Virginia and Vermont formally have sanctioned the use within their borders of one or more of the five standard forms advocated by the National Council on Compensation Insurance, in connection with the reporting and administering of claims under workmen's compensation covers.

It is assumed additional states will take similar action in the near future, and eventually use of the forms will be countrywide. The National Council has advised its member carriers of the success of its program thus far, requesting that each give it "whole hearted cooperation."

Survey Shows Need

The move for uniformity of claim reporting, while generally recognized, was not fully appreciated by company officials and divisional claim men until a preliminary survey conducted in 1932 revealed that in the 38 states where companies were transacting compensation business, "an aggregate of more than 400 different forms were required to cover the administration of such claims." The forms in use varied greatly in size and color, and showed marked variations in the nature and number of questions asked.

Five Forms Approved

In the light of the confusing and expensive practice, the need for a strict limitation in number and uniformity in character of forms became apparent, and with cooperation of the forms committee of the International Association of Industrial Accident Boards & Commissions, five standardized forms were drafted. These met approval of companies concerned and of the National Convention of Insurance Commissioners.

Through use of the new forms the reporting of claims, relevant data in connection therewith and analysis of the information will be considerably simplified; while the saving in printing costs to the companies will be an important consideration.

Continental Casualty Year

President H. A. Behrens Sets Forth Some of the High Lights in 1933 Operations

President H. A. Behrens of the Continental Casualty in his annual report shows an operating loss of \$57,626 as compared with \$30,772 the year before. There was a sharp decline in premiums in 1932, resulting in reduction of premium reserve amounting to \$1,092,540, releasing not less than \$300,000 as an operating credit. Last year due to an increased volume, the premium reserve increased \$420,228 which resulted in a charge to operating income of \$125,000. Hence the 1933 operating results were actually \$400,000 better than 1932. The 1933 operating loss results from a loss in insurance operations of \$672,713 less net income from investments of \$615,088. The insurance operations show a slightly smaller loss than the year before. The premiums last year were \$13,126,499, increase 2 percent. The premiums for the first four months were \$622,891 less than the first four

Hartford Steam Boiler Is Winner Over Fire People

The Hartford Steam Boiler was the winner before the Connecticut supreme court of errors in a dispute as to allocation of liability with several fire insurance companies for damage to two air receivers of the Republic Steel Corporation.

The case was Hartford Steam Boiler vs. Firemen's Mutual et al.

The Hartford Steam Boiler insured the two air receivers from loss caused by pressure of steam, air or gas but excluding loss from fire or loss from accident caused by fire.

The Firemen's Mutual and the other fire companies had issued to the Republic Steel fire insurance policies covering damage to equipment caused by fire or explosion caused by fire, except such property as was specifically insured against similar liabilities.

Dispute Developed

There was a dispute as to whether the loss was caused by fire and the parties agreed that the Hartford Steam Boiler should advance two-thirds and the fire insurance companies one-third of the adjusted claim and that their respective liability should be left to arbitration.

The arbitrator found that the explosion was caused by fire and the Hartford Steam Boiler was not liable for any part of the loss. The fire insurance companies refused to pay and the Hartford Steam Boiler sued. The fire companies contended that, despite the fact it was conceded the parties should bear the loss between them, the fire companies did not concede they would pay the entire loss if it should appear that the Hartford Steam Boiler policy did not cover.

The higher court held the arbitrators having found the explosion was caused by fire, the Hartford Steam Boiler's policy did not specifically insure any property on which the loss caused by fire occurred and that the Hartford was not liable for any of the loss, it follows that the terms of the arbitration are controlling and the fire companies become liable to refund to the Hartford Steam Boiler the payment which it had made to the Republic Steel Corporation.

months of 1932. During the last eight months there was a steady progression.

President Behrens finds last year there was an encouraging reduction in percentage of incurred losses amounting to 3 percent. There was an increase in the expense ratio due to decrease in premiums earned.

A smaller contingency reserve for security valuation is carried this year because of reduction in asset value of securities in the 1933 statement. The surplus is put on the basis of market value. Except for federal bonds and the stock of the Continental Assurance, there is no single investment in excess of 1½ percent of its assets. President Behrens states the company has attempted to achieve the widest possible diversification consistent with good administrative practice. There has been an increase in cash and federal government obligations in the new statement because of the desirability for greater liquidity. Last year the company paid no dividends to stockholders, this being the first year in its history when this action was taken.

Assets amount to \$20,603,518, premium reserve \$7,199,804, loss reserve \$7,076,040, security fluctuation reserve \$500,000, general contingency reserve \$500,000, capital \$1,750,000, and surplus \$2,464,988.

T. C. Kerman, president and general manager of the Rhode Island Mutual Liability of Providence, has been compelled to remain away from his office on account of illness. He hopes to be back within the next two weeks.

Period of Compensation Experiments May Be Past

NEW YORK, Jan. 31.—At the conclusion of the annual report of the Compensation Insurance Rating Board of this state, General Manager L. S. Senior makes a number of interesting observations on the history of compensation insurance and advances his opinion as to what may be expected of it.

Conceding that experience since 1913 "has demonstrated the importance of adequate rates and an adequate rating system," Mr. Senior holds that "rate regulation in itself is not a complete remedy" for the ills to which the line is subjected. Within the past four years, he points out, while 13 companies were admitted to membership in the bureau, 31 retired from the field evidencing that "the old fashioned ideas of economy in management, careful risk selection, skillful payroll audit, competent claim and medical service and wise restraint from over-expansion served well the more successful companies and will continue to guide future aspirants."

Hope for Greater Stability

"It is not unlikely," he said, "that the experimental period in workmen's compensation insurance has passed, and that the future will bring assurance of greater stability. Indications of improvement are already visible in the latest available exhibits of loss ratios." Further progress may be looked for, he believes, if the bureau succeeds in carrying out its 1934 program. This embraces:

General rate revision to give an adequate base rate level and correction of relativity on latest Schedule "Z" experience; review of occupational disease values with special reference to the legislative end; abandonment or modification of schedule rating, with greater freedom for safety work by individual carriers; revision of experience rating so reserve values may not be used as a means for unfair competition; extension of inspections and payroll audits as a basis for proper classification of risks and accurate determination of premium.

Consider Recommendations

Board committees are considering changes recommended by the insurance department following examination last September, including: Enlarging audit of experience under the unit plan; increasing number of inspections on small risks and closer verification of payroll audits; further studies relating to minimum premiums, deposit premiums and reserve values, the last named with a view to curtailing competitive abuses in rating plans.

Special work includes a study of schedule rating, in theory and practice, to determine whether it should be radically modified or abolished, as recommended by the National Council on Compensation Insurance.

The actuarial committee is considering a proposal to develop a consistent logical method for determining rate levels at each annual rate revision on the basis of a revolving period of calendar year experience, without attempt to forecast by problematical factors. The principle that excess losses or gains for a given past period be given recognition in determining future rate levels has been accepted by the committee as sound, though details are to be worked out.

"It seems to be the general belief," Mr. Senior states, "that once the method of determining rate levels is placed on a firm foundation, controversies with public officials will become less frequent, and it will be possible to concentrate upon other essential reforms, such as adequate deposit premiums, correct risk classification and accurate payroll audits."

The New York department, to which

the question was referred, held that agreement between a carrier and policyholder upon a rate higher than the one developed through the customary method of applying the manual, would be contrary to law.

In view of the loss to its treasury suffered by the board in recent years through failure of member companies, it has been decided to create a contingency fund consisting of annual membership fees, and investment returns therefrom, until the accumulations are sufficient, in the judgment of the governing committee, to cover the obligations of the retiring company, subject, however, to a maximum sum equivalent to five years of membership fees.

Study Additional Matters

The actuarial committee also will consider:

1. A plan for segregating experience developed under the occupational disease program effective Jan. 1, 1933.
2. Investigation of proper method for creating reserves, including an indeterminate reserve table and the "account current" method for use in experience rating, studies now in progress.
3. Rule 39 of the experience rating plan, which permitted combination of contractors' experience incurred on railroad work, has been eliminated.
4. A method of replacing missing data on risks formerly insured by the Independence Indemnity and Public Indemnity in so far as experience rating is concerned.
5. A formula for determining premiums on policies issued to release securites on deposit by self-insureds.

6. The committee authorized discontinuance of experience rating for window cleaning contractors, as it does not meet with favor of carriers or policyholders.

The report states that the manual charge for occupational disease coverage on some risks may be "grossly inadequate."

Last year, supplementary rates were approved on 12 risks where the manual provided a rate of one cent but there was shown to be an obvious exposure to silicosis hazard. In one instance the rate adopted was five times as high as the highest charge for occupational disease. There is the possibility that the manual rates may be inadequate not only for individual risks but for entire industries. The situation will require careful study.

Big Compensation Line at Stake

ST. PAUL, MINN., Jan. 31.—One of the largest compensation policies ever offered in the state is at stake in a controversy now commanding the attention of the Minneapolis-St. Paul sanitary district.

The premium is approximately \$450,000. The question at issue is whether the insurance shall be let in one lump or distributed among some 16 contractors who will build a metropolitan drainage system for the Twin Cities. The work is to be done under the PWA and the resident engineer in charge for the PWA holds that the insurance must be let by the individual contractors. The drainage board feels this will bring the cost too high and wants to let the insurance to the lowest bidder in a lump sum. The issue has been put up to PWA officials at Washington.

Hospitalization Bill in New York

ALBANY, N. Y., Jan. 31.—The formation of non-profit membership corporations to sell hospitalization services upon the payment of a small monthly premium is authorized in a bill introduced in the New York legislature.

NEWS OF THE COMPANIES

Younglove Made President

Freeport Motor Casualty in Its Annual Statement Shows Year's Profitable Operations

L. G. Younglove, secretary and general manager of the Freeport Motor Casualty of Freeport, Ill., has been elected president to succeed Addison Bidwell, who desired to retire from the office. He becomes chairman of the board. Paul F. Seitz was elected vice-president succeeding C. W. Chapman, who remains on the board. C. P. Young was chosen secretary and treasurer.

The Freeport Motor Casualty started in 1928, succeeding the American Motor Underwriters, which was organized in 1919, under the same management.

The annual statement shows assets \$683,332, premium reserve \$151,975, loss reserve \$119,690, capital \$200,000, net surplus \$179,320. The company does not own a bond or mortgage in default of either principal or interest. Its mortgage loans amounting to \$36,500 do not exceed one-third of the present appraised value. The bonds are put at actual market value as of Dec. 31. The increase in surplus is \$26,350.

Mr. Younglove has proved a very efficient manager of the company and has enabled it to make a fine showing. He was commended at the meeting for his judgment concerning investments. The Freeport Motor Casualty operates only in Illinois and Iowa.

Annual Statement Presented

Great Lakes Casualty of Detroit Gives an Account of Its Operations for 1933

The Great Lakes Casualty of Detroit, in command of President Armstrong Crawford, in its annual statement shows assets \$695,177 of which \$226,765 are bonds, \$99,230 stocks, \$282,688 mortgages, \$47,295 cash. The claim reserve is \$90,029, premium reserve \$43,062, contingency reserve \$38,865, capital \$300,000, net surplus \$200,000. The company's cash and quick assets amount to \$373,291. There is a ratio of \$2.40 of quick assets for each \$1 of outstanding policyholders' liability. Its bond account consists of government \$23,313, municipal \$4,530, railroad \$41,668, public utilities \$137,483, industrial \$19,773.

L. P. Schaff, who has been a member of the home office force of the Great Lakes Casualty since its organization last year, has been elected assistant secretary and assistant treasurer. He held a similar position with the Central West Casualty for some years prior to its dissolution and has been handling these duties for the Great Lakes since its organization but did not hold the title.

Receivers for Two Carriers

H. B. Hershey, official liquidator of the Illinois insurance department, has been named receiver for the Northern Casualty Underwriters of Chicago, a reciprocal which the department has been trying to put out of business for two or three years.

A court order has been entered certifying that cause exists for the appointment of a receiver for the American Preferred Risk Underwriters of Chicago and Mr. Hershey will undoubtedly be named receiver by the department. This was a Lloyds' organization, the business of which was reinsured, but a number of complications developed and the state desires to take charge.

Is Now Writing Plate Glass

Preferred Accident Takes on New Line Already Covered by the Protective Indemnity

NEW YORK, Jan. 31.—Plate glass insurance has now been added to the lines written by the Preferred Accident, the company following in that connection the example of its affiliate, the Protective Indemnity, which entered the plate glass field some months ago. The management of the department for both institutions is in the hands of H. D. Clarke, a veteran plate glass underwriter, who was connected with the Metropolitan Plate Glass a number of years ago, subsequently having charge of the plate glass division of the Union Indemnity. The Preferred Accident has arranged with the Humphrey Co. of this city for the issuance of forgery bonds in connection with a mechanical check punching device handled by the latter organization. It has no intention, however, of invading either the general surety or the fidelity fields.

Head of the Penn General Casualty Seized in N. J.

C. B. Love, who was president of the Penn General Casualty of Philadelphia, and with others was accused of embezzling \$240,500, was arrested at his summer home in Englewood, N. J., on a warrant of the Pennsylvania insurance department. He waived extradition and was taken to Philadelphia. At the same time H. C. O'Brien, secretary of the company, surrendered at the district attorney's office.

J. V. Gosline, vice-president of the Penn General Casualty, was instrumental in hunting down Love. Gosline said the Penn General's assets were sufficient to cover liabilities and he said there is a possibility of it being merged with another company.

Love was first arrested Nov. 13 in New Jersey and released in custody of his attorney on his promise to return to Philadelphia. He failed to return and there was a wide search for him.

Litigation involving a question of jurisdiction between the federal district court at Philadelphia and the Dauphin county court has complicated the affairs of the Penn General. The insurance department filed a petition in the Dauphin court to take over the assets of the company.

Aetna Casualty Premiums Increase Nearly \$1,000,000

The Aetna Casualty at the end of the year reports assets \$30,465,583. There is a contingency reserve of \$2,000,000 representing the difference between convention and actual market values. Net surplus is \$7,605,046 and capital \$3,000,000. There was an underwriting profit of \$751,149. Net premiums written amounted to \$14,820,142, which was an increase of nearly \$1,000,000 over the previous year.

The Aetna Life, in its annual statement, reports total assets \$448,773,067, increase \$2,169,204.

A contingency reserve of \$6,400,000 has been set up to meet the difference between convention and actual market values. Net surplus is \$9,031,704.

Total interest and rents during the year amounted to \$18,825,371.

Total life department claims paid were \$69,275,155 and total accident and liability claims \$12,701,604. Income exceeded disbursements by \$10,311,438.

Cash and government bonds amount

to \$32,983,291, compared with \$20,293,572 the year before.

Capital of Massachusetts Bonding Cut; Premiums Up

At the annual stockholders' meeting of the Massachusetts Bonding it was voted to reduce the stock from \$4,000,000 to \$2,000,000 by decreasing the par value of the shares from \$25 to \$12.50.

Net premiums of the company last year were the largest in the history of the Massachusetts Bonding, being \$1,365,000 greater than in the previous year. Losses, however, were \$200,000 less than in 1932. Cash balance at the end of the year was more than \$1,165,000.

New Century Casualty Report

Total assets of the New Century Casualty of Chicago amounted to \$498,160 at the end of the year. The principal items are cash \$49,357, premiums less than 90 days \$54,511, premiums over 90 days \$10,239, government and municipal bonds \$131,595, other bonds \$9,630, mortgages \$180,421 and real estate \$54,125.

Loss reserve amounts to \$63,866, premium reserve \$149,836, contingency reserve \$3,500, capital \$200,000, and net surplus \$63,820.

The New Century Casualty does a substantial plate glass business. President Albert Kahn said burglaries, due to unemployment, accounted for many of the plate glass breakages. The Chicago glass breaking racket, however, was responsible for the largest portion of the loss. During the first five months of 1933, the New Century suffered an average of 90 sling-shot losses a month in Chicago alone, the cost of these depredations being about \$5,000 per month. This racket has extended into other cities.

During the last of the year, however, improvement was brought about because of the work of federal and local authorities with whom the Cook County Plate Glass Insurance Bureau cooperated.

The automobile department was profitable, but not enough so to offset the loss in the plate glass department.

American Bonding's Year

Despite the uncertainty that existed in general business circles the American Bonding managed to increase its gross premium income 15.7 percent over 1932, according to the report of President D. C. Handy. The company is now licensed to write fidelity and surety bonds, burglary and plate glass insurance in all but seven states.

Receiver for Middle States

OKLAHOMA CITY, Jan. 31.—William Murdoch, former secretary of the state insurance board, was appointed temporary receiver for the Middle States Casualty of Oklahoma City by the district court of Oklahoma county, on a petition filed by Commissioner Jess G. Read. The petition stated that investigation showed the company to be in an unsound condition and hopelessly insolvent. It also charged failure to comply with state laws regarding organization of stock casualty companies.

The receiver was authorized to take charge of the company pending permanent receivership.

Policyholders Demand Probe

INDIANAPOLIS, Jan. 31.—Resolutions asking the county prosecutor here, the insurance commissioner, the attorney general of Indiana and the United States district attorney to investigate actions of officials of the Indiana Liberty Mutual were adopted at a meeting of almost 100 policyholders here. Charges of mismanagement and illegal collection of funds were made. A large number of suits have been filed to collect assessments from policyholders and

another suit has been filed by a group asking a receiver for the company.

Ohio Casualty in Oregon

PORTLAND, ORE., Jan. 31.—The Ohio Casualty has been admitted to Oregon, and through its general agent, the Washington General Agency, which represents the company both in Washington and Oregon, has established offices at 1208 Public Service building, Portland. Neil Baldwin, formerly in eastern Washington, has been transferred to Portland to supervise the Oregon territory. He will also serve as adjuster.

Federal Life—Assets, \$14,574,250*; inc. in assets, \$67,768; unearned prem., \$617,596; reserve for monthly and weekly benefits payable in installments and where claims proofs have not been completed, \$1,347,917; non-can A. & H. res., \$330,942; capital, \$375,000*; surplus, \$427,799* inc. in surplus, \$113,752. Experience: Prem. Losses Accident & health... \$1,476,314 \$ 975,745 Non-canc. H. & A... 275,846 219,690 Total \$1,752,160 \$1,195,435 *Includes both life and accident and health departments.

National Casualty—Assets, \$2,594,298; dec. in assets, \$144,125; unearned prem., \$48,007; loss res., \$165,519; lab. res., \$172,870; comp. res., \$55,583; capital, \$750,000; surplus, \$500,000; voluntary reserve, \$174,464. Experience:

	Prem.	Losses
Accident and health	\$1,250,341	\$ 691,742
Auto liability	199,991	100,612
Other liability	40,223	10,430
Workmen's comp.	79,020	52,268
Fidelity	16,179	12,978
Surety	19,600	9,976
Plate glass	16,468	7,310
Burglary and theft	20,429	10,028
Auto prop. damage	66,072	19,468
Auto collision	3,318	1,805
Other P. D. and Col.	1,419	329
Miscellaneous	18,708	10,356
Total	\$1,731,768	\$ 927,302

Farmers Auto., Ill.—Assets, \$220,011; inc. in assets, \$28,230; unearned prem., \$55,943; loss res., \$3,361; lab. res., \$17,440; surplus, \$140,870; dec. in surplus due to inc. in unearned prem. res., \$12,097. Experience:

	Prem.	Losses
Auto liability	\$ 67,356	\$ 12,891
Liability excess	1,809	.....
Plate glass	4,894	1,327
Burglary and theft	21,975	6,679
Auto fire	21,256	2,557
Auto prop. damage	20,222	4,168
Auto collision	53,349	27,046
Cargo	146	.....
Total	\$ 190,007	\$ 54,668

Michigan Mut., Auto.—Assets, \$105,429; inc. in assets, \$5,885; secur. fluc. res., \$8,000; unearned prem., \$14,158; loss res., \$531; lab. res., \$5,700; surplus, \$76,541; inc. in surplus, \$5,065. Experience on principal lines:

	Prem.	Losses
Auto liability	\$ 11,834	\$ 6,192
Burglary and theft	1,248	126
Auto prop. damage	7,577	918
Auto collision	5,808	2,468
Fire	1,779	325
Total	\$ 28,315	\$ 10,117

Iowa Mut. Cas.—Assets, \$115,085; inc. in assets, \$1,959; unearned prem., \$44,506; loss res., \$17,875; lab. res., \$13,555; surplus, \$40,002; inc. in surplus, \$8,158. Experience:

	Prem.	Losses
Auto liability	\$ 48,683	\$ 14,409
Plate glass	15,547	8,988
Auto prop. damage	19,153	5,274
Auto collision	6,671	1,960
Total	\$ 90,061	\$ 30,632

Home Plate Glass, D. C.—Assets, \$94,281; unearned prem., \$4,533; capital, \$30,000; surplus, \$58,664. Experience:

	Prem.	Losses
Plate glass	\$ 9,426	\$ 2,736

Amer. Farm. Mut. Auto., Minn.—Assets, \$25,272; inc. in assets, \$649; unearned prem., \$2,358; surplus, \$22,405; inc. in surplus, \$585. Experience:

	Prem.	Losses
Auto theft	\$ 5,432	\$ 2,865

American Automobile—Assets, \$9,231-248; inc. in assets, \$670,467; secur. fluc.

CONTINENTAL COMPANIES

General Offices, Chicago, Illinois
December 31, 1933

CONTINENTAL CASUALTY COMPANY

ASSETS

Cash	\$ 1,225,674.33
*United States Government Obligations	1,721,430.78
*Other Public Bonds	2,061,982.83
*Railroad, Public Utility and Miscellaneous Bonds	5,021,141.44
**Preferred and Guaranteed Stocks	2,145,530.00
**Other Stocks	2,668,769.00
Mortgage Loans	733,523.65
Real Estate	1,431,951.89
Premiums in Course of Collection (Not over 90 days past due)	3,048,017.58
Accrued Interest	184,282.37
Other Assets	361,214.90
Admitted Assets	\$20,603,518.77

LIABILITIES

Unearned Premium Reserve.....	\$ 7,199,804.02
Pending Claim Reserve.....	7,076,040.49
Miscellaneous Insurance and Tax Liabilities	1,112,687.49
***Contingency Reserve (For security fluctuations)	500,000.00
General Contingency Reserve..	500,000.00
Capital	\$1,750,000.00
Surplus	2,464,986.77
Capital and Surplus.....	4,214,986.77
Total	\$20,603,518.77

Net Premiums Written in 1933
.....\$13,126,499.07

***Amortized Value.**

****Convention Value.**

*****This reserve is more than adequate to write down to Market Quotations as of December 31, 1933 all bonds ineligible for amortization and all stocks.**

CONTINENTAL ASSURANCE COMPANY

ASSETS

Cash	\$ 1,116,381.64
*United States Government Obligations	1,376,835.55
*Other Public Bonds	1,387,198.28
*Railroad, Public Utility and Miscellaneous Bonds	2,888,418.63
**Preferred and Guaranteed Stocks	1,179,165.00
**Other Stocks	None
Mortgage Loans	4,567,972.81
Policy Loans	3,233,053.15
Real Estate	1,678,381.28
Net Deferred and Uncollected Premiums	738,081.45
Accrued Interest	361,871.47
Other Assets	155,968.00
Admitted Assets	\$18,683,327.26

LIABILITIES

Policy Reserves	\$14,138,786.74
Pending Claim Reserve.....	704,237.58
Premiums Paid in Advance....	80,303.62
Miscellaneous Liabilities	255,790.64
***Contingency Reserve	250,000.00
Capital	\$1,000,000.00
Surplus	2,254,208.68
Capital and Surplus.....	3,254,208.68
Total	\$18,683,327.26

Insurance in Force ("paid for" basis).....\$164,688,314.00

The Continental Year Book discloses in greater detail the Companies' operations and financial structure. It will be furnished upon request.

res., \$843,965; unearned prem., \$3,090,-
440; loss res., \$155,603; lab. res., \$2,513,-
350; capital, \$1,000,000; surplus, \$1,239,-
916; inc. in surplus, \$445,361. Experience:
Premises. Losses
Automobile \$7,166,277 \$3,243,588

***Aetna Life**—Assets, \$448,773,067; inc. in assets, \$2,169,204; secur. fluc. res., \$6,-
400,000; unearned prem., \$8,722,089; loss res., \$2,439,229; lab. res., \$8,258,155; comp. res., \$8,461,582; non-can A&H res., \$624,-
403; capital, \$15,000,000; surplus, \$9,031,-
705; dec. in surplus, \$1,309,867. Experience:

Premises. Losses
Accident \$3,488,259 \$2,005,292
Health 2,253,218 1,604,457
Non-canc. H. & A. 109,403 206,591
Auto liability 6,353,328 3,468,577
Other liability 4,043,183 1,252,572
Workmen's comp. 5,243,592 4,164,115

Total \$21,490,983 \$12,701,604
*Capital, assets, surplus and reserve for fluctuation of security values include life branch.

Aetna Cas. & Surety—Assets, \$30,465,-

583; dec. in assets, \$1,114,319; secur. fluc. res., \$2,000,000; unearned prem., \$8,756,-
651; loss res., \$4,589,200; lab. res., \$1,-
931,592; comp. res., \$68,639; non-can A&H res., \$49,201; capital, \$3,000,000; surplus, \$7,605,046; inc. in surplus, \$749,544. Experience:

	Premises.	Losses
Accident	\$ 1,216	\$ 39,959
Health	57	1,900
Non-canc. H. & A.	7,612	20,375
Auto liability	3,340,191	1,543,407
Other liability	225,509	18,880
Workmen's comp.	156,025	12,442
Fidelity	2,476,939	729,646
Surety	2,338,896	1,078,466
Plate glass	526,676	181,650
Burglary and theft	1,583,035	460,176
Steam boiler	623	....
Engine and machine	40,316	12,039
Auto prop. damage	2,953,721	908,750
Auto collision	573,725	253,698
Other P. D. and coll.	83,886	12,554
Sprinkler	511,829	124,073
Total	.....	\$ 14,820,142
		\$ 5,398,015

Pennsylvania Indem. Corp.—Assets, \$2,-
503,261; dec. in assets, \$501,360; special

reserves (not included in surplus): re-
serve for investment depreciation, \$47,-
537; representing amount necessary to
adjust bonds, not in default, to amortized
values, and all other bonds and stocks
to actual market values Dec. 31, 1933;
contingency reserve, \$40,000; unearned
prem., \$819,680; loss res., \$52,666; lab.
res., \$911,881; capital, \$300,000; surplus,
\$268,656; inc. in surplus, \$7,780. Experience:

	Premises.	Losses
Accident	\$ 17,833	\$ 7,355
Auto liability	1,167,926	627,881
Other liability	8,613	1,285
Auto prop. damage	399,611	134,308
Auto collision	.....	-1,840
Other P. D. and coll.	353	....
Total	.....	\$ 768,990

Liable for State Funds in Banks Closed by U. S.

PHILADELPHIA, Jan. 31.—Surety companies are liable under depositary bonds for immediate payment of state funds in National banks taken over by the Government since the bank holiday and operated on a limited scale by conservators, the Supreme Court holds.

The decision came in the test case instituted by the United States Fidelity & Guaranty on a \$36,825 deposit in the Tulpehocken National Bank & Trust Company. The bank refused the state's draft for \$35,000 Aug. 22 because the bank was in the hands of a conservator. The state treasurer then took judgment against the company. The Dauphin County Court refused to open judgment and the Supreme Court today upheld the lower court.

Company's Contention

The company had contended that as the bank was taken over by the government, it should not be liable until the conservator had completed payments. It is understood that the decision will make surety companies on depositary bonds liable for immediate payment of several million dollars of state funds on deposit in national banks operated by conservators.

Accident-Health Field News

C. H. Davis Named Accident Supervisor of Pacific Mutual

C. H. Davis, assistant manager of the Pacific Mutual's branch in Chicago in charge of brokerage, noncancelable business and accident and health, until the change there recently to general agency basis, has been appointed accident agency supervisor by the company. He will make headquarters as before in the Insurance Exchange, Chicago. His duties will require considerable traveling throughout a large part of the United States.

Burnette Made Director

A. S. Burnette, who heads the underwriting department of the Interstate Business Men's Accident, Des Moines, has been elected a director to succeed the late Leland Windsor. A substantial increase in surplus for 1933 was reported, together with a decided improvement in the claim situation.

Murray Again Overruled

OKLAHOMA CITY, Jan. 31.—For the second time Attorney General King has ruled against Governor Murray's executive order waiving penalties on delinquent taxes, where such taxes had been paid by July 1. The attorney general gave an opinion to a joint senate and house committee that the legislature is the only source from which such relief can be provided, and this must be done by proper legislation. Any order, as such, from the governor is not sufficient under the constitution.

Another Mississippi River Bond

A contract bond in the penalty of \$720,000 has been executed to cover the construction of lock No. 11 in the Mississippi River near Dubuque, Ia., by the Warner Construction Company. The amount of the contract was \$1,-437,000. The bond was originated by the Hartford Accident, which retains 20 percent. The Fidelity & Casualty is co-surety for 13 1/3 percent, New Amsterdam Casualty 10 percent, Glens Falls Indemnity 6 1/2 percent and each of the following 8 1/3 percent: Aetna Casualty, Continental Casualty, American Surety, Massachusetts Bonding, American Employers, and Fidelity & Deposit.

Much surety business has been created because of the extensive improvements that are under way and are projected in the upper Mississippi River, through Public Works Administration funds. Contracts have been let for all but about three of the projected locks in the Mississippi and five contracts for construction of dams have been let.

Cullen Feted at Cincinnati

Vincent Cullen, president of the National Surety, spent Wednesday in Cincinnati. From there he was heading for Columbus and Pittsburgh. He was accompanied by H. B. Johnson, vice-president of the fraud and forgery bond department.

Mr. Cullen was guest of honor at a buffet supper Wednesday given jointly by W. A. Earls and his associates, who are general agents for the National Surety, and regimental officers of the Troop "C" unit in Cincinnati, who served with Mr. Cullen on the Mexican border in 1916 and 1917 when he was with the famous Black Horse Troop of Cleveland. He was captain of the headquarters company, 136th Field Artillery, commanded by Gen. P. Lincoln Mitchell of Cincinnati.

In addition to Mr. Earls, Walter Fisher, Charles Cautrell, and Major Cameron Sanders represented the Earls-Blain company.

Great Lakes Casualty Company

131 West Lafayette Boulevard
Detroit, Michigan

FINANCIAL STATEMENT, DECEMBER 31, 1933

ASSETS

Cash	\$ 47,295.37
*Bonds (Market Value Nov. 1st)	226,765.23
*Stocks (Market Value Nov. 1st)	99,229.90
Mortgages	282,687.98
Accrued Interest	19,994.62
Premiums in course of collection (not over 90 days due)	19,204.04
Total Assets	\$695,177.14

LIABILITIES

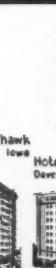
Reserve for claims	\$ 90,028.51
Reserve for unearned premiums	43,062.29
Reserve for Commissions, taxes and other liabilities	23,220.91
Reserve for Contingencies	38,865.43
Capital Stock	\$300,000.00
Surplus	200,000.00
Surplus to policyholders	500,000.00
Total Liabilities	\$695,177.14

*Actual Market Value November 1st, 1933, as required
by the National Convention of Insurance Commissioners.

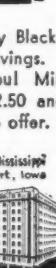
THE BEST FOR LESS



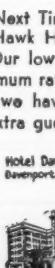
Hotel Savery
Des Moines, Iowa



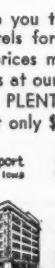
Hotel Fort Des Moines
Des Moines, Iowa



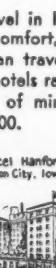
Hotel Blackhawk
Davenport, Iowa



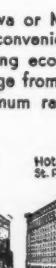
Hotel Mississippi
Davenport, Iowa



Hotel Davenport
Davenport, Iowa



Hotel Hanford
Mason City, Iowa



Hotel Saint Paul
St. Paul, Minn.

BLACK HAWK HOTELS

TRAVELERS in Iowa and Minnesota say—
"Yes—if you want the best of everything
at the most reasonable prices, stay at Black
Hawk Hotels." Black Hawk Hotels are
popular!

Next Time you travel in Iowa or Minnesota
try Black Hawk Hotels for comfort, convenience and
savings. Our low prices mean traveling economy for
you! Minimum rates at our hotels range from \$1.50 to
\$2.50 and we have PLENTY of minimum rate rooms
to offer. Extra guest only \$1.00.

Wanted

Experienced Payroll Auditor, unmar-
ried, between 25-30 years. Must be
free to travel any territory. Give
complete details, education, experi-
ence, salary and references. Address
Y20, The National Underwriter.

Wanted

Experienced Casualty Underwriter, principally Automobile and Compensation, for Mid-
dle West territory. Permanent position for
man 28-35 years. Give complete details education,
experience, salary, and references.
Address Y-19, The National Underwriter.

CASUALTY ASSOCIATION NEWS

Code Discussed in Cleveland

Ransom and Flickinger Present Agents' Association Viewpoint at Meeting of Casualty Men

CLEVELAND, Jan. 31.—The Cleveland Casualty Association held a special meeting Monday to consider the code for insurance producers. Edward Sweet, Maryland Casualty, president of the association, presided and read the articles of the code proposed by the National Association of Insurance Agents and filed with the NRA in Washington.

C. O. Ransom, president Insurance Board of Cleveland, was present to explain the origin and meaning of the code and the decision of the Chicago convention favoring it. He told of its submission to the fire and casualty companies and its final filing in Washington.

Possibility of State Code

W. E. Flickinger, a trustee of the Ohio Association of Insurance Agents, explained the attitude of the state association. Some other states have filed codes, and he said it might be necessary for Ohio to file such a code to take care of local conditions. Both Messrs. Ransom and Flickinger appealed for suggestions before the code comes up for hearing at Washington. Mr. Flickinger said the state association will undoubtedly have representatives at the hearing and is anxious to know the reaction of the Cleveland casualty group.

A general discussion followed, with particular emphasis on the unfair practices listed under article 7. Since the code may be the guiding law of the insurance business for some time, importance of careful consideration was stressed.

President Sweet of the Casualty Association asked all members to obtain a copy of the code and study it so that reactions might be obtained at a later meeting.

Ohio Managers Plan Series of Interesting Programs

The Ohio Association of Casualty & Surety Managers announces a series of interesting monthly meetings in Columbus. The sessions are attended by representatives of bureau companies in Ohio and agents of bureau companies are invited.

The annual election will be held Feb. 6. The speaker on that occasion will be C. C. McClelland, judge of the probate court of Franklin county, O., who will talk on "The New Probate Code and Its Relation to Fiduciary Bond Underwriting."

F. Robertson Jones, secretary Association of Casualty & Surety Executives, is scheduled to address the April 3 meeting. In May, the speaker will be W. G. Wilson of Cleveland, Ohio manager for the Aetna Life companies.

Tentative arrangements have been made for the appearance of R. H. Towner, manager Towner Rating Bureau, for a later meeting.

Kerdolff Head of Greater Kansas City Association

KANSAS CITY, Mo., Jan. 31.—G. W. Kerdolff of Mann, Barnum, Kerdolff & Welsh was elected president of the Casualty & Surety Underwriters Association of Greater Kansas City at its annual meeting. H. P. Linn, vice-president Central Surety, is first vice-president; O. B. Simmons, Lovelace, Simmons & Burke, second vice-president, and R. D. McMillen, C. D. Williams Agency, treasurer.

W. R. Evans, American Surety, retir-

ing president, heads the executive committee. Other members are B. W. McCluer, McCluer-Wilbur Underwriting Company; Gordon Fisher, U. S. F. & G.; R. L. Stewart, Sr., R. B. Jones & Sons, and A. P. Nichols, Turned & Nichols.

Robinson Los Angeles Head

LOS ANGELES, Jan. 31.—The Casualty Association of Los Angeles elected

F. R. Robinson, manager Globe Indemnity, chairman for the ensuing year. J. E. Joseph, Ocean Accident, was re-elected secretary-treasurer. A vice-chairman will be appointed shortly by Mr. Robinson.

Following the election, the meeting was devoted to a round table discussion of casualty problems, including the matter of acquisition costs, which will be considered shortly in a conference dealing with the subject. The meeting concluded with a tribute of appreciation to the retiring chairman, George F. Houghton, manager for the Hartford Accident.

Prosperity Campaign of the Globe Indemnity Under Way

The Globe Indemnity is conducting a prosperity campaign, which will be continued to April 30. Each agent is given a quota, which is a percentage increase over his last year's net writings during the same period excluding compensation. The agencies are divided into five classifications, according to the population of the cities in which they operate. There will be a grand prize and various secondary prizes in all classifications.



NATIONAL

SERVICE

on

Automobile

Plate Glass

Burglary

Public Liability

Compensation

Accident and Health

Insurance

and

Fidelity and Surety

Bonds

(June 30, 1933 Statement)

Capital

\$1,000,000

Surplus

to

Policyholders

\$1,514,649

Assets

\$4,416,237



That FRIENDLY SERVICE is Attractive to Progressive Agents is Evidenced by Central Surety's Sound Growth.

Interested Agents are Invited to Ask for Condensed 1933 Record and Financial Exhibit.

**CENTRAL SURETY
AND INSURANCE
CORPORATION**

KANSAS CITY,

MISSOURI

DENNIS HUDSON, President

Code Question Is Uppermost Today

(CONTINUED FROM PAGE 1)

want to return to the unregulated conditions that prevailed prior to the Armstrong investigation.

The agents, he declared, do not claim that the code which they have filed is without defect. They do contend that their action in filing is entirely consistent with the aims of the organization toward betterment of the business as a whole. Mr. Wolff said the agent, in the face of keen and sometimes unscrupulous competition, is as weak as any other man similarly situated. They want a code to protect themselves against this weakness as much as for any other reason.

Must Include All

Agency rules which would leave companies and brokers untrammeled, he said, would be as useless as are company regulations which do not include all of the large and sound institutions and which provide for discriminatory methods of special treatment to meet this outside competition.

Insurance business and all business, he said, needs nothing more than the golden rule and its observance. The nearest practical approach to that ideal is in the immediate and energetic acceptance of the administration's plan for industrial self-government. He expressed the belief the most successful plan would be a comprehensive code, but if it develops the government insists upon individual codes, then, to be of any value, they must be closely coordinated.

There have been ineffective and half-hearted efforts of control within the business in the past. The usual means has been the creation of some new organization or even a super-organization, with the result that the business is more over-initiated than even the government today.

MUTUALS' VIEWS

The "Journal of American Insurance," which is a publication of the American Mutual Alliance, takes a sympathetic attitude toward the idea of bringing about an insurance house cleaning through the NRA route. There is more reason for a code of fair practices in the business, according to the Journal, than there is for a code governing wages and hours, since insurance companies have always treated their employees well.

"It is evident," the Journal states, "from the action taken that the agents now realize that the practices in which many of them are engaging are not conducive to the good of the business as a whole and are, indeed, positively harmful to their own interests. It seems, too, that these practices have been forced upon many of the producers and that they have been out of sympathy with them all along. It does not take very many individuals to start a series of acts which the majority are forced to adopt in self-defense, just as companies dead set against rate cutting are forced to cut their own rates in order to hold their business against the raiding of a few who are extremely active in their bid for business through the inducement of cut rates."

Self-Regulation Is Failure

Everyone knows, the Journal states, that self-regulation cannot work. The force of insurance departments is essential for the protection of policyholders and companies.

"If there is any criticism to be made of the agents' proposals," the paper states, "it is that they do not go far enough. If the insurance house is to have a cleaning, it should be a thorough one. The debris should not be swept under the rugs nor should the cleaning be limited to the living room.

It should take in the whole structure, inside and out."

There is a good chance, the mutual publication states, that if a code authority is set up, the threat of governmental intervention alone will cause the business to operate with ordinary common decency under a code. If it does not so operate, the impetus to further governmental intervention will be felt increasingly and a congressional investigation may be expected into certain insurance practices, such as surety, which may result in considerable support to the pending proposal to place insurance under federal regulation through constitutional amendment.

CALIFORNIA WRIT ISSUED

SAN FRANCISCO, Jan. 31.—A writ of mandate has been filed in the California supreme court by the California Association of Insurance Agents requesting that T. A. Reardon, head of the California recovery administration, be compelled to sign the code of fair competition filed with him last November. It had previously been signed, after hearings, by the state corporation commissioner but Reardon's signature is essential. The principal objection heard against the code has been the protest of San Francisco brokers who object to having their position included with agents on the grounds that the relationship between company and agent is different from that of brokers.

To Hold Payments Back Only 30 Days

(CONTINUED FROM PAGE 1)

ized to allow early payment of individual claims up to \$500, and automobile collision, property damage, tornado, windstorm, earthquake, hail, rain and conflagration losses were exempted.

With improved conditions companies were importuned by agents either to abrogate the regulation or to liberalize it materially. The demand became so insistent that the executive committee of the National Board at a meeting last December considered raising the deductible to \$1,000, but decided instead to submit the whole problem to the entire membership at the recent special meeting.

At the gathering last week there was

an unusually large attendance, some companies being represented by two or three executives.

After President Koop called the meeting to order, B. M. Culver, president America Fore, as chairman of the executive committee, stated the whole subject had been threshed out by the latter body, its conclusion being the preparation of the resolution. The motion thereupon carried unanimously.

E. U. A. Takes Action

The Eastern Underwriters Association, at its meeting the preceding day, anticipated some action by the National Board and altered the phrasing of its rule to comply with whatever agreement was reached.

As the proper handling of a claim of any size takes two weeks on the average, no great hardship will result to any assured through his waiting an additional 15 days for his money. He will be free to at once arrange for the rebuilding of his burned plant, or the replenishment of destroyed goods, and by the time this has been done the companies will have paid his claim.

Nashville Controversy Is Settled by Joint Committee

(CONTINUED FROM PAGE 2)

ject came up at the National association convention at Chicago and it was decided to submit the question to arbitration.

The Southern Trust Company at Louisville started in the agency business prior to 1926, when the conference agreement became effective. The National association executive committee has had the matter before it for some time. The company men declared that insofar as the agency was a branch of an organization that was not under the restrictions of the conference agreement it was a legitimate appointment. The Nashville agents contended that when a new financial institution started an agency in a city that had been free of such competition, it was in violation of the agreement.

This action, the result of extensive investigation by the companies, the Nashville agents and the National Association of Insurance Agents, definitely disposes of what at first appeared to be a troublesome problem.

CHANGES IN CASUALTY FIELD

General Casualty's Manager

Thomas E. Loynahan Goes to Seattle Home Office, Resigning from the Ocean

President H. K. Dent has announced the appointment of Thos. E. Loynahan as manager of the General Casualty of Seattle. Mr. Loynahan, who is a native of California, was educated in the University of California. He began his insurance career with the Frankfort General. From 1913 to 1917 he was superintendent of the accident and liability department of the Aetna Life at Los Angeles; from 1919 to 1920 he was assistant manager in the Los Angeles office of the Ocean Accident. In 1920 he was made assistant manager of the Pacific department of the Ocean Accident at San Francisco until 1933, when he was appointed as special assistant to the manager of the Ocean with headquarters in New York City.

For some time President H. K. Dent of the Seattle company has been carefully scanning the field in search of an outstanding casualty executive to manage its affairs.

The Israel Agency, Wichita, Kan., has taken the general agency for the Zurich, formerly held by the Brosius Investment Company there.

Crowley Assistant Manager

National Casualty Bureau Transfers Field Man to Chicago Branch to Assist Manager Malah

F. B. Crowley has been appointed assistant manager of the Chicago branch office of the National Bureau of Casualty & Surety Underwriters under Manager Peter Malah. Mr. Crowley has been connected with the bureau 11 years, most recently having been for four and a half years branch manager at Indianapolis. Before that he was for over three years branch manager in Omaha. Formerly for three years he was an inspector for the bureau, traveling in Utah, Colorado, Illinois, Iowa, Missouri, Indiana and Maryland.

While in Indianapolis, he was secretary of the Casualty and Surety Field Club. All the functions of the two mid-western branches which recently were closed have been transferred to the Chicago office under Manager Malah's direction.

Mr. Crowley was tendered a luncheon by friends and associates in Indianapolis and was presented a watch.

O. H. Beyer Returns to General

O. H. Beyer of San Francisco, who has been in the brokerage business, re-

turns to the General Casualty of Seattle as manager of the casualty department at Los Angeles. He was formerly vice-president of the company. At one time he was an executive of the Detroit Fidelity & Surety and went to the Pacific Coast as its manager there. Then he became manager of the Phoenix Indemnity in Chicago.

Get Consolidated General Agency

The United Underwriters, with offices in the Bryant building, Kansas City, Mo., agents for the Consolidated Indemnity in that city, have been appointed general agents for western Missouri and Kansas. Heretofore the agency has confined its operations to Greater Kansas City, but with the new setup it is expected that an agency plant will be established in both states. Edward J. Uhler, vice-president of the United Underwriters, is well known to the agents of Missouri and Kansas, due to his work in both states while associated with the Indemnity of North America.

Appoint Gould & Gould

The Great Lakes Casualty has been licensed in Washington and has appointed Gould & Gould, Empire building, Seattle, as state agent with jurisdiction over agency development, underwriting and claims. Gould & Gould is a successful agency which has operated for many years.

Travelers Cleveland Change

C. L. Brown, Jr., manager of the casualty department in the Cleveland office of the Travelers, has resigned. He is succeeded by William Lysaght, agency assistant at the home office.

Ocean Accident Canadian Appointment

Kenneth Thompson has been appointed city inspector of the Montreal branch of the Ocean Accident. He is a son of W. T. Thompson, Canadian manager of the American of Newark and Security, and is being transferred from the Canadian head office of the Ocean Accident in Toronto.

Tenney Assistant Manager

Robert E. Tenney has been named as assistant to Thomas G. Hammond, manager of the fidelity and surety department of the United Pacific Casualty of Seattle.

G. W. Hill, formerly with the Employers Liability and the London Guarantee, has gone with the McCluer-Wilbur Underwriting Company, Kansas City, Mo., in charge of boiler and liability work.

Enforce Responsibility Law

BALTIMORE, Jan. 31.—In order to strictly enforce the insurance provision of Maryland's motor vehicle laws, state police have been instructed to investigate all non-resident commercial motor vehicles operating on Maryland roads to determine if they are complying with the state's financial responsibility law, Commissioner E. A. Baughman announced this week. To date, many out-of-state owners have failed to comply with the regulation which requires all owners of commercial motor vehicles engaged in the transportation of passengers or property to file with his office a certificate of insurance, or a bond, the commissioner revealed. The amount of insurance or bond must be \$5,000 for one person in any one accident, and \$10,000 for two persons, while \$1,000 insurance against damage to real or personal property is required.

J. J. Toohey N. J. Commissioner

NEWARK, Jan. 31.—The New Jersey senate has confirmed the appointment of John J. Toohey as labor commissioner, succeeding Col. C. R. Blunt, Commissioner Toohey will have full supervision of the workmen's compensation bureaus, in which a number of changes as to procedure are expected to be made within the next few months.

TOPICS FOR COMPENSATION PARLEY

(CONTINUED FROM PAGE 27)

have been studying the report and possibly, with amendments, it may be adopted at the spring meeting of the accountants' association.

The cost of producing the business is the item of greatest interest to agent and producer. Although the committee still favors the method of determining commissions through a gradation of premium size, such a method would be without practical value unless it were accompanied by a corresponding gradation in rates by size of risk. In view of the fact that several supervising authorities turned down the graded rate and commission program in 1932, the committee expressed the belief efforts in this direction would prove futile at this time.

Free Market Needed

Belief is expressed that a free market for compensation insurance is more important to producers than the actual percentage rate of commission. If it is impossible to put compensation on an adequate rate basis, the question of how much commission is to be allowed is purely academic.

"The committee feels it is now up to the producers to indicate the loading they believe should go into the rate for acquisition. Assuming the factor is reasonable, the companies will support it, but it will have to be recognized that failure to secure approval of our rate filings in any state will necessarily involve a readjustment of acquisition allowances to the extent of such failure."

Under the heading of increase in premiums, the committee states an effort is being made to develop a program suitable for use in this country that will accomplish results comparable to those obtained by the companies operating in Great Britain under the agreement they have made with the British government. The program under consideration involves substitution of calendar year experience for policy year and inclusion of the accumulated underwriting profit or loss as a factor in the determination of rate levels. Rates would be revised in the spring of each year, the revision to become effective the following July 1. There would be no judgment factors, no projection factors and no contingency loading. The resulting rate levels would be calculated each year and approval should be practically automatic.

Agreement of All

If all classes of carriers can be brought into agreement upon such a method, the committee expressed the belief state authorities would give their approval.

Improvement in classification of risks is discussed. The committee states that the companies will support the program of increasing the activities of administrative boards and bureaus in the direction of inspection of risks for classification purposes. The manual committee of the national council is studying the phraseology of manual classifications to eliminate those that are unnecessary, consolidating others where there is no new distinction in hazard and clarifying phraseology to avoid misinterpretation. Probably a new manual reflecting this study will be issued soon.

Loss Constants Discussed

There is discussion of loss constants on small risks. Experience indicates the tendency for small risks to incur a higher loss ratio than large ones. However the introduction of loss constants in rate regulated states has been impeded because of the belief of supervisory officials and mutuals that to establish the record, experience must be collated for individual risks on the basis of the unit statistical plan. That plan is in operation in New York and Massachusetts—the only states which

have approved the loss constant. Bureau companies believe that the unit statistical plan is not necessary to determine of the relative loss ratios of large and small risks. The committee favors use of loss constants in every state.

As far as expense constants are concerned, the committee states it is axiomatic that as long as there is any item of fixed expense in the issuance or administration of a policy, any system of loading for expenses which consists solely of a percent of premium must provide inadequate dollars of expense for small risks. The committee believes an adequate constant should be made available in connection with every policy. This would assist in the creation of a market for small risks.

Control of Deposit Premium

The committee favors the procedure established by rating bureaus whereby control shall be exercised over the amounts charged as deposit premiums.

The committee believes there is loss of premium and unnecessary expense because of practices in connection with issuance and cancellation of policies which should not prevail in connection with a class of business that is practically compulsory and has been highly unprofitable.

The ideal solution would be a requirement for the payment of the deposit premium upon delivery of the policy or at least an automatic cancellation clause in the policy, but there are legal questions involved. As an immediate and practical means of minimizing these evils the committee favors a requirement for signed applications for compensation policies and a rule prohibiting flat cancellation in the belief that with a definite signed order fewer policies will be returned not taken.

As to special plans for handling large risks, the statement is made that the failure of the compensation rating program to fit the coverage and rate to risks of size has operated to give mutuals a competitive advantage. The committee believes the time has come when alternative plans of rating must be developed so as to afford the individual employer of size an opportunity to select that plan which best fits the conditions within his risk. In this category are embraced plans such as retrospective experience rating, deductible or stop loss coverage, and participating insurance.

The committee believes efforts should be continued to develop plans that will put the stock companies in a better position to hold and secure large risks. In the meantime the immediate objective should be to develop a program that will provide adequate rates for the business now on the books of the stock companies and provide a free market or opportunity to producers to earn commissions.

Mortgage Refunding Plan Progresses Satisfactorily

BALTIMORE, Jan. 31.—Acting under authority of the circuit court of Baltimore, the Maryland Trust Company, as successor trustee, has deposited under the general refunding plan all bonds held as collateral for obligations of the Baltimore Mortgage Corporation. The decree authorized deposit by the company of 100 percent of the collateral affected by the refunding plan.

The securities were deposited by the trustee with the First National Bank, depository under the refunding plan, and included all bonds of the corporation secured by mortgages guaranteed by the United States Fidelity & Guaranty.

This action brings the aggregate de-

posits under the refunding plan as of Jan. 23 to the following figures: United States Fidelity and Guaranty Company, approximately \$28,000,000, representing 90 percent of the total outstanding, and Maryland Casualty, over \$46,750,000, representing over 93 percent.

Officials of the Baltimore Mortgage Corporation state \$586,000 of their bonds have been deposited with the Equitable Trust Company out of a total of \$663,500 outstanding as of Jan. 24. The deposits, therefore, represent approximately 88½ percent of the total outstanding. In addition to the deposit of \$664,000, principal amount of bonds securing the company's outstand-

ing bonds, the Baltimore Mortgage Corporation has deposited under the refunding plan the following additional bonds, which are owned by the corporation: \$190,000 principal amount of bonds secured by mortgages guaranteed by the U. S. F. & G. and \$34,000 principal amount of bonds secured by mortgages guaranteed by the Maryland Casualty.

As the Baltimore Mortgage Corporation plan is dependent upon the success of the general refunding plan, it was expected the Baltimore Mortgage Corporation plan would be declared operative about the same time that the general refunding plan is so declared.

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AUTOMOBILE INSURANCE with attractive selling features which make it easy to keep sold including preferred rates to careful and cautious drivers.

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Plan Proposed to Meet 50-50 Form

(CONTINUED FROM PAGE 27)

he sustains losses up to the amount of half his annual premium, he assumes the losses individually.

This is accomplished by various companies either by having the assured pay the glass companies directly or the carriers servicing and billing the risk. If and when the total claims equal half the annual premium, the policy goes on full coverage basis for the remainder of

the term and the assured pays no more.

Under the 50 percent retention form the assured also pays 50 percent of the annual premium immediately. If he does not file a claim there is no further premium payment. However, if he files a claim for any amount however small, before he can receive indemnity he must pay the other half of the annual premium.

Advantages Are Cited

From the assured's standpoint the 50/50 policy has considerable advantage. It also tends to discourage filing small claims. The 50 percent retention form also meets the present demand for less initial outlay by the assured and strongly discourages small claims. Corner damage and pebble cracks in plates, which under the full coverage policy almost invariably mean a complete replacement, on either of the 50 percent forms cause the assured to go along with the old plate, at least until the deductible limit is passed.

There is another big advantage for companies in writing either of the 50 percent forms, in that commission is paid only on the first 50 percent of premium paid down. The 50/50 policy is criticized by companies not writing it

as not leaving enough margin for reserves, particularly against catastrophe. However, companies that write this contract insist they save from 5 to 7 percent in expenses alone due to less office details.

Commission Plan Rejected

There has been some talk of paying 10 percent on the 50 percent retention under the proposed glass policy, but this was voted down by the Cook County bureau and was not recommended to the eastern committee.

Good experience is reported by companies writing 50/50 plate glass. It is believed by many insurance men to be fundamentally sound and there is strong sentiment toward making its sale permissible by any bureau companies that find this desirable in competitive centers, such as Chicago and Philadelphia. The 50/50 contract has not appeared widely in New York.

One of the arguments advanced against adopting the 50 percent retention form is that it might become popular throughout the country and reduce the sale of full coverage glass insurance. However, it is pointed out that the 50/50 form in over 15 years in which it has been sold has not spread far.

In looking back over the growth of your own business, what were the factors that aided in that growth?

Giving a fair deal, or making an honest effort to do so, was one, no doubt, just as it has been with THE PREFERRED ACCIDENT.

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PERSONALS

Secretary of Commerce D. C. Roper has appointed J. J. Hall of the street and highway division of the National Bureau of Casualty & Surety Underwriters, a member of the U. S. Department of Commerce committee on uniform traffic laws and ordinances.

While in Milwaukee on his good will trip throughout the middle west Vincent Cullen, president National Surety, discussed surety and fidelity activities before the Commerce Club, an organization of students of Marquette University college of business administration.

The recent retirement of E. D. Livingston from the chairmanship of the Seaboard Surety of New York City of which he was previously president, was not due to ill health, as erroneously reported at the time. He is in better physical health than for several years. His return to active service in surety circles may confidently be expected within a reasonable period. Mr. Livingston began his underwriting career in Baltimore in 1905 and for years subsequent thereto occupied a prominent position in the business.

B. G. Wills, vice-president Fireman's Fund Indemnity, has been appointed chairman of the special motor vehicle legislative committee of the California state chamber of commerce. The committee is making a study of the state motor vehicle code, preparing to rewrite its provisions for submission to the 1935 legislature.

Bolling H. Handy, president of the Mutual Insurance Company of Richmond, has been elected president of the Richmond Safety Council. He is a former member of the Virginia industrial commission.

M. Gordon Grahame, resident vice-president in Chicago for the Globe Indemnity, is taking a vacation, touring the south and southwest. He plans to spend a few days deep sea fishing in the gulf.

D. M. Ferry, president of the Standard Accident, was reelected president of the Detroit Museum of Art Founders Society, which operates the Detroit Institute of Arts, at the annual meeting.

M. F. Lanphar, secretary-treasurer of the Lanphar Agency, Detroit general agent of the American Employers and Employers Liability and regional agent of the New Amsterdam Casualty, has been elected a director of the American Business Club of Detroit.

P. W. A. Fitzsimmons, president Michigan Mutual Liability, has been confined to his home for the past three weeks with a sprained ankle.

Roy Tuchbreiter, agency vice-president of the Continental Casualty, is visiting the key cities of the Pacific Northwest for the first time in six years.

Glen A. Wolford, special agent for the Ocean Accident, narrowly escaped death when his car skidded on ice and went over an embankment near Warrensburg, Mo. The car turned over several times before landing right side up at the bottom of a ravine. Mr. Wolford escaped with only a few minor sprains.

C. L. Garnett, president of the Motor Vehicle Casualty of Chicago, is entering the political arena, his candidacy for the office of alderman from the first ward in his home city of Evanston, Ill., having been announced by two community civic clubs. Mr. Garnett has the support of the present alderman from his ward, who is not seeking reelection.

WORKMEN'S COMPENSATION

New Jersey Probe Concluded

Various Recommendations to Be Reviewed—Medical Board Proposal Will Receive Serious Consideration

NEWARK, Jan. 31.—After a thorough probe of 14 weeks, the New Jersey legislative commission, appointed by Governor Moore to investigate the workmen's compensation situation in New Jersey, has closed its public hearings and has gone into executive session to study the mass of data which was obtained.

During the time of the investigation there has been no criminal intent shown on the part of any one affiliated with the bureaus, with the exception of H. J. Arthur, an investigator in the Newark bureau, who confessed to the embezzlement of some \$25,600 of compensation funds.

Medical Society Plan

Numerous recommendations and suggestions have been made by labor unions, medical societies, employes of the bureaus and others, all of which will be given due consideration by the commission. Probably one of the most important recommendations is that of the New Jersey Medical Society in which it was suggested that a medical board consisting of nine prominent doctors be appointed to study and pass upon all awards made by the referees and deputy commissioners of the bureau and that their decision be final, although they would not have the power to prevent a petitioner from taking his case to court for civil action.

There is a general feeling among casualty underwriters throughout New Jersey that radical changes must be made in the workmen's compensation act which will benefit the injured workman and also in the procedure of the work in the bureau.

Aviation Exclusion Upheld

BENTON HARBOR, MICH., Jan. 31.—The right of an insurance company to attach a rider to a compensation policy excluding liability for accidents to employees riding in or operating airplanes was upheld when Judge C. E. White directed a verdict for the United States Fidelity & Guaranty of \$2,180 against the Heath Aircraft Corporation of Niles. The insurance company sought to recover this amount paid to the heirs of Merle Lambert, test pilot who was killed Nov. 6, 1931, while testing a new type of plane.

Ohio Fund Scandals Spread

Cox Charges Million Loot, Near Insolvency—Three Indicted in Cleveland for Alleged Fraud

COLUMBUS, Jan. 31.—The special committee of the Ohio senate named some months ago to investigate the Ohio workmen's compensation act, with a view of recommending amendments, will probably get down to work soon. Demand for an investigation has increased with the indictment of three men at Cleveland for alleged fraud in connection with compensation payments. An investigation of the workmen's compensation setup has been in progress for some months under order of Governor White. Attorney General Bricker has announced he will begin an official investigation as soon as he is directed to do so by the governor, such an order being necessary before he can act.

A few days ago James M. Cox of Dayton, former governor, in whose administration the compensation act was passed, demanded an investigation, charging that the state had been robbed of \$1,000,000 or more. He said that the fund was in danger of becoming insolvent. On reading former Governor Cox's statement, Governor White said there was nothing new in it. The prosecuting attorney of Cuyahoga county (Cleveland) is conducting his investigation upon the request of the industrial commission. In recent weeks \$100,000 in unpaid premiums in fraud cases have been collected in Cleveland, Attorney General Bricker said. Some time ago the personnel of the industrial relations department was reduced by 100 as a result of the adoption of economy measures and as a result, it is claimed, the department is severely handicapped in its operations. It is planned to check up payrolls over the state as a result of recent disclosures of alleged fraud, one of the members of the commission said, as soon as funds and personnel are available.

F. W. Fellows, 53, deputy California industrial accident commissioner in Los Angeles, suffered a stroke and died without regaining consciousness.

Robertson to Loyal Protective

P. N. Robertson, formerly with the Monarch Life, has been appointed general agent for the Loyal Protective at Jackson, Mich. The appointment was made by W. B. Cornett, field director, with headquarters in Detroit.

What to Know About Automobile Insurance

By Frederick W. Doremus

This book gives a broad survey of present day automobile insurance. It analyzes the physical and moral hazards involved in underwriting and loss adjusting, and points out the best practice for the producing agent to follow.

The beginning underwriter will derive a sound foundation in this branch of insurance. The experienced underwriter will find this book a profitable review of the sound principles he uses daily.

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How To Determine Quickly, At Any Time, Approximate Actual Cash Value Of A Building

Insurance adjustment of loss is made on a basis of *actual cash value* of the damaged property at the time of loss.

And if there is a coinsurance clause in effect, the amount to be recovered depends also upon the relation between *actual cash value* and the amount of insurance carried on the property.

Thus it is quite important, in fixing the amount of insurance on a building, that the owner (and the agent also) know at least approximately what the **ACTUAL OR INSURABLE VALUE** of that building is. Only thus can precaution be taken that the amount of insurance is (1) not less than it should be properly to protect the interest of the owner and (2) that the insurance on the building is not greater than the actual value of the building—that the owner does not pay for insurance that he does not get. **VALUES HAVE CHANGED A LOT THESE LAST TWENTY YEARS—AND THEY ARE STILL CHANGING.**

If you had something to carry in your inside coat pocket which would enable you at any time to arrive quickly and easily at the then approximate insurable values of various kinds of buildings it would help both you and your customers, wouldn't it?

You could then find out without delay whether the amount of insurance carried or proposed on a building is much greater than its insurable value, or much less than it should be to protect the assured properly and to comply with coinsurance requirements, if any.

With the "Handy Table" you will be prepared at any time to do these very things.

The "Handy Table" has been compiled and copyrighted by an experienced insurance engineer. It has full and simple directions for use. It exhibits in a new way a method of determining approximate construction costs of different kinds of buildings for the years 1913 to 1934. It is the result of practical experience, is made for long, hard use and comes in a stout manilla envelope, pocket size. **AND IT COSTS BUT \$1.00.** With it in your pocket you can quickly and easily convert original cost of building to the approximate present actual (insurable) value of that building. And if you cannot find out the original cost, the "Handy Table" supplies cubical contents rules for different kinds of buildings to help you in arriving at approximate reconstruction costs of buildings of different classes of construction and occupancy. In addition there is an insurance depreciation table. You won't want to part with the "Handy Table" because you will use it much to your advantage.

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What can happen to a MOTORIST WHO HAS AN ACCIDENT, BUT NO AUTOMOBILE INSURANCE!



FIRST comes the roadside argument. Then the demands for damages—thousands of dollars asked for personal injuries, hundreds for damage to the other car.

This means retaining a lawyer, and from then on the expenses and worries begin to pile up.

Courts are congested, so months may elapse before the case comes up in court. During this time the motorist can only wait and worry, often losing sleep, his appetite and his zest for work. During this time the plaintiff may attach his bank account, home and other property to make sure that they will not be transferred to others to avoid payment of the judgment.

Finally the case comes to court. The judgment is rendered—\$5,000, \$10,000, perhaps even \$25,000. On top of that come court costs and lawyers' fees.

How to raise the money is the next question. What must be sacrificed; what must be sold? Sometimes the fruit of a lifetime's effort must be handed over to satisfy the claimant.

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